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POLLUTION OF THE INTERSTATE WATERS OF THE ANDROSCOGGIN RIVER - NEW HAMPSHIRE-MAINE. PROCEEDINGS OF CONFERENCE, SESSION (2ND) HELD AT SHELBURNE, NEW HAMPSHIRE ON OCTOBER 21, 1969

Federal Water Pollution Control Administration
Washington, D.C.

21 October 1969

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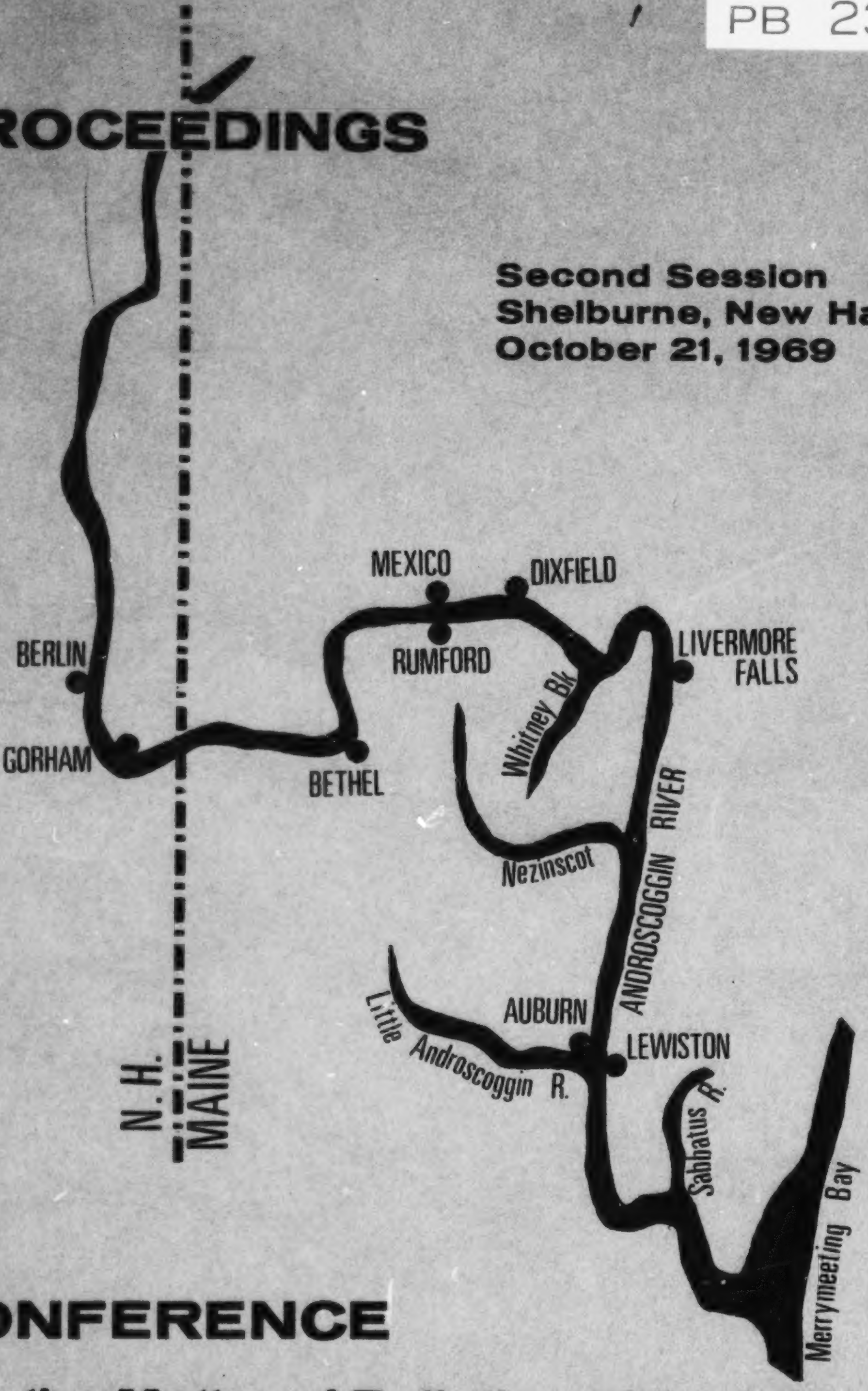
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MAINE

Second Session
Shelburne, New Hampshire
October 21, 1969

CONFERENCE

In the Matter of Pollution of the Interstate Waters of the Androscoggin River – New Hampshire – Maine

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16!

DEPARTMENT OF THE INTERIOR

FEDERAL WATER POLLUTION CONTROL ADMINISTRATION

CONFERENCE

IN THE MATTER OF POLLUTION OF THE INTERSTATE WATERS OF THE ANDROSCOGGIN RIVER AND ITS TRIBUTARIES -- NEW HAMPSHIRE -- MAINE

Second Session
Town and Country Inn
Shelbourne, New Hampshire

Tuesday, October 21, 1969

Convened, pursuant to notice, at 9:30 a.m.

PRESIDING:

Murray Stein	Assistant Commissioner for Enforcement, Federal Water Pollution Control Administration U. S. Department of the Interior

CONFEREES:

William Healy	Executive Director, New Hampshire Water Supply and Pollution Control Commission, Concord, New Hampshire
Lester Klashman	Regional Director, Northeast Region, Federal Water Pollution Control Administration, Boston, Massachusetts
Raeburn MacDonald	Chief Engineer, Maine Water and Air Environmental Improvement Commission and Department of Health, Augusta, Maine
John Palazzi	New Hampshire Water Supply and Pollution Control Commission, Concord, New Hampshire
Alfred Peloquin	Executive Secretary, New England Interstate Water Pollution Control Commission, Boston, Massachusetts

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on

Second Session of the Conference in the Matter of Pollution of the Interstate Waters of the Androscoggin River and its Tributaries involving the States of New Hampshire and Maine, convened at 9:30 a.m., Tuesday, October for 21, 1969, at the Town and Country Inn, Shelbourne, New Hampshire.

and includes statements, discussions, and recommendations on financing improvements, tributaries; and related information,

PRESIDING:

Mr. Murray Stein, Assistant Commissioner for Enforcement,
Federal Water Pollution Control Administration,
Department of the Interior, Washington, D. C.

CONFEREES:

William A. Healy, Executive Director,
New Hampshire Water Supply and Pollution Control Commission,
Concord, New Hampshire

Lester M. Klashman, Regional Director,
Federal Water Pollution Control Administration,
U. S. Department of the Interior,
Boston, Massachusetts

Raeburn W. MacDonald, Chief Engineer,
Maine Environmental Improvement Commission,
Augusta, Maine

CONFEREES (Continued):

John Palazzi, Chairman,
New Hampshire Water Supply and Pollution Control Commission,
Concord, New Hampshire

Alfred E. Peloquin, Executive Secretary,
New England Interstate Water Pollution Control Commission,
Boston, Massachusetts

Murray Stein, Chairman,
Federal Water Pollution Control Administration
U. S. Department of the Interior,
Washington, D. C.

PARTICIPANTS:

Myron O. Knudson, Chief, Operations Branch, New England Basins Office, U. S. Department of the Interior, Federal Water Pollution Control Administration, Needham Heights, Massachusetts

Alfred E. Peloquin, Executive Secretary, New England Interstate Water Pollution Control Commission, Boston, Massachusetts

Raeburn W. MacDonald, Chief Engineer, Maine Environmental Improvement Commission, Augusta, Maine

PARTICIPANTS (Continued):

John Palazzi, Chairman, New Hampshire Water Supply and Pollution Control Commission, Concord, New Hampshire

Philip J. Mercier, Chairman, Board of Selectmen, Rumford, Maine

Leo J. Morency, Town Manager, Municipal Building, Rumford, Maine

John F. Dennis, Project Manager, Metcalf and Eddy, Inc., Boston, Massachusetts

Thomas A. Schrader, Assistant Regional Director, U. S. Bureau of Sport Fisheries and Wildlife, Boston, Massachusetts

James Baechle, Vice-President, Brown Paper Company, New York, New York

Thomas A. LaCava, Chief Engineer, New Hampshire Water Supply and Pollution Control Commission, Concord, New Hampshire

Russell A. Nylander, Senior Sanitary Engineer, New Hampshire Water Supply and Pollution Control Commission, Concord, New Hampshire

George McGee, Member, Water Supply and Pollution Control Commission, Lincoln, New Hampshire

OTHERS IN ATTENDANCE:

William R. Adams, Jr., Director, Public Works, Lewiston, Maine

Donald E. Borchers, Councilman, Berlin, New Hampshire

Richard Buck, New Hampshire Water Supply and Pollution Control Commission, Hancock, New Hampshire

David B. Buckley, Development Engineer, National Council for Air and Stream Improvement, Tufts University, Medford, Massachusetts

Clarence J. Burngot, City Engineer, Berlin, New Hampshire

Fred A. Clough, Jr., Director, Public Affairs, Oxford Paper Company, Rumford, Maine

Stuart R. Cooper, Director, Pollution Abatement, Oxford Paper Company, Rumford, Maine

Bob Corrigan, Editor, Berlin Reporter, Berlin, New Hampshire

Sylvio Croteau, Councilman, Berlin, New Hampshire

Robert A. Delisle, Health Officer, City Hall, Berlin, New Hampshire

Elwyn Dickey, Town Manager, Bethel, Maine

Robert G. Fuller, Jr., Assistant Attorney General, State House, Augusta, Maine

OTHERS IN ATTENDANCE (Continued):

William W. Grove, Assistant Engineer, Union Water Power Company, Lewiston, Maine

Lawrence J. Guay, Industrial Committee, Gorham, New Hampshire

Terry Hoffman, Resource Assistant, U. S. Forest Service, White Mountain National Forest, Gorham, New Hampshire

John W. Jordan, Shelburne, New Hampshire

Frank McCann, Water Resources Planner, Augusta, Maine

George McGee, Sr., New Hampshire Water Pollution Control Commission, Lincoln, New Hampshire

A. H. Miller, Planning Engineer, Tepco, Inc., Berlin, New Hampshire

Oliv P. Morneau, Finance Director, City Hall, Berlin, New Hampshire

Raymond J. Mulligan, Electronic Engineer, T. V. Lab., Gorham, New Hampshire

David W. Murphy, Gorham Water and Sewer Commission, Gorham, New Hampshire

Richard T. Murphy, New England Basins Office, Federal Water Pollution Control Administration, Needham Heights, Massachusetts

OTHERS IN ATTENDANCE (Continued):

James O. Nesbitt, Executive Director, Androscoggin Valley Regional Planning Commission, Lewiston, Maine

Ralph Oulton, Sanitary Engineer, Metcalf and Eddy, Inc., Boston, Massachusetts

Barry A. Patrie, Project Engineer, Edward C. Jordan Company, Inc., Portland, Maine

Donald W. Perkins, Portland, Maine

Lawrence E. Philbrook, Shelburne, New Hampshire

Peter G. Rich, Esquire, Marcal Paper Mills, Inc., Portland, Maine

Ronald L. Russell, Forester, U. S. Forest Service, White Mountain National Forest, Laconia, New Hampshire

Edward A. Ryan, Assistant Director, Wright, Pierce, Barnes and Wyman, Topsham, Maine

Peter Shapiro, Legal Counsel, New Hampshire Water Supply and Control Commission, Concord, New Hampshire

David H. Stonefield, Sanitary Engineer, New England Basins Office, Federal Water Pollution Control Administration, Needham Heights, Massachusetts

Earle A. Tarr, Jr., Superintendent, Auburn Sewerage District, Auburn, Maine

Edward C. VonWild, Shelburne, New Hampshire

OTHERS IN ATTENDANCE (Continued):

Henry C. Waldo, Manager, Wood Department, Franconia Paper Corporation, Lincoln, New Hampshire

Merrill C. Welles, Jr., Associated Industries of Maine, Boothbay, Maine

Richard Whiting, Esquire, Oxford Paper Company, Rumford, Maine

Albert R. Wilson, Selectman, Gorham, New Hampshire

Frank V. Wright, Jr., Treasurer, Wright, Pierce, Barnes and Wyman, Topsham, Maine

PROCEEDINGS

OPENING STATEMENT

BY

MR. MURRAY STEIN

CHAIRMAN STEIN: The conference is open.

This second session of the conference in the matter of pollution of the Androscoggin River and its tributaries in the States of New Hampshire and Maine is being held under the provisions of Section 10 of the Federal Water Pollution Control Act, as amended. Under the provisions of the Act, the Secretary of the Interior is authorized to initiate a conference of this type when on the basis of reports, surveys, or studies he has reason to believe that pollution subject to abatement under the Federal Act is occurring.

The conference was first held on September 24, 1962, and adjourned to February 5, 1963, when it was continued.

As specified in Section 10 of the Act, the

Opening Statement - Murray Stein

Secretary of the Interior has notified the official water pollution control agencies of this conference. These agencies are the New Hampshire Water Supply and Pollution Control Commission, the Maine Water and Air Environmental Improvement Commission, and the New England Interstate Water Pollution Control Commission.

Both the State and Federal Governments have responsibilities in dealing with water pollution control problems. The Federal Water Pollution Control Act declares that the States have primary rights and responsibilities for taking action to abate and control pollution. Consistent with this, we are charged by law to encourage the States in these activities.

At the same time, the Secretary of the Interior is charged by law with specific responsibilities in the field of water pollution control in connection with pollution of interstate or navigable waters. The Federal Water Pollution Control Act provides that pollution of interstate or navigable waters which endangers the health or welfare of any persons shall be subject to abatement. This applies whether the matter causing or contributing to the pollution is discharged directly into such waters or reaches such waters after discharge into a tributary.

Opening Statement - Murray Stein

The purpose of the conference is to bring together the State and Interstate water pollution control agencies, representatives of the U. S. Department of the Interior, and other interested parties to review the existing situation, and the progress which has been made, to lay a basis for future action by all parties concerned, and to give the States, localities and industries an opportunity to take any indicated remedial action under State and local law.

The New Hampshire Water Supply and Pollution Control Commission will be represented by Mr. John Palazzi and Mr. William Healy. The Maine Water and Air Environmental Improvement Commission has designated as its conferee Mr. Raeburn MacDonald. The New England Interstate Water Pollution Control Commission will be represented by Mr. Alfred Peloquin.

The Federal conferee is Mr. Lester Klashman, Northeast Regional Director for the Federal Water Pollution Control Administration.

My name is Murray Stein. I am from Headquarters, Federal Water Pollution Control Administration, Department of the Interior and the representative of Secretary Hickel.

The parties to this conference are the official State and Interstate water pollution control agencies and the

U. S. Department of the Interior. Participation in this conference will be open to representatives and invitees of these agencies and such persons as inform me that they wish to present statements. However, only the representatives of the State and Interstate water pollution control agencies and the U. S. Department of the Interior constitute the conferees.

Now, a word about the procedures governing the conduct of the conference that we will operate under today. The conferees will be called upon to make statements. The conferees, in addition, may call upon participants whom they have invited to the conference to make statements. In addition, we will call on other interested parties who wish to present statements.

At the conclusion of each statement, the conferees will be given an opportunity to comment or ask questions. This procedure has proven effective in the past in reaching equitable solutions.

At the end of all the statements, we shall have a discussion among the conferees and try to arrive at a basis of agreement on the facts of the situation. Then we will attempt to summarize the conference orally, giving the conferees, of course, the right to amend or modify the summary.

Opening Statement - Murray Stein

Under the Federal law, the Secretary of the Interior is required at the conclusion of the conference to prepare a summary of it which will be sent to the conferees. The summary, according to law, must include the following points:

1) Occurrence of pollution of interstate waters subject to abatement under the Federal Act. I think this point was covered at the first session of the conference, and there are two other points which no doubt should receive serious consideration at this session. These points are:

2) Adequacy of measures taken toward abatement of pollution; and

3) Nature of delays, if any, being encountered in abating the pollution.

The Secretary is also required to make recommendations for remedial action if such recommendations are indicated.

A record and verbatim transcript of the conference is being made. This is being done for the purpose of aiding us in preparing a summary and also providing a complete record of what is said here.

It usually takes about three or four months for the transcript to come out in printed form. If you wish a record beforehand, you can check with the reporter, who is an independent contractor, and make your own arrangements with him. I should indicate that the record will appear in black and white and not in color. Try not to refer to colors if you use graphic aids in your presentation as they will be relatively meaningless in the reading of the transcript.

We will make copies of the summary and transcript available to the official State and Interstate water pollution control agencies. We have found that for the purpose of maintaining relationships within the States, the people who wish summaries and transcripts should request them through their State or Interstate agency rather than come directly to the Federal Government.

When the conference has been concluded, we would prefer people who are interested in the problem to follow the normal relations in dealing with the State and Interstate agencies rather than the Federal Government. This has worked successfully in the past and we will be most happy to make this material available for distribution.

I would suggest that all speakers and participants other than the conferees making statements come to the lectern and identify themselves for purposes of the record.

I will now call on Mr. Lester Klashman for the Federal statement. Mr. Klashman.

MR. KLASHMAN: I would like to call on Mr. Myron Knudson of our New England Basins Office of the Regional Office to make the Statement for the Federal Government.

Is Mr. Griffin here from Fish and Wildlife or are there any other Federal Agencies that want to make a statement?

(No response.)

MYRON KNUDSON, CHIEF, OPERATIONS BRANCH,
NEW ENGLAND BASINS OFFICE,
U. S. DEPARTMENT OF THE INTERIOR,
FEDERAL WATER POLLUTION CONTROL ADMINISTRATION,
NEEDHAM HEIGHTS, MASSACHUSETTS

The first session of the conference in the matter of pollution of the interstate waters of the Androscoggin River was held on September 24, 1962, in Portland, Maine. It was adjourned until February 5, 1963, when it was continued at the same location.

At the first session a report on the sources of pollution and the effects of these discharges upon water uses was presented. Following the conference the Secretary of Health, Education, and Welfare,* in letters to the State water pollution control agencies dated June 28, 1963, recommended that the classification of the tributaries to the Androscoggin River be recommended to the 1965 session of the State legislatures and that classification of the main stem be recommended to the State legislatures during the 1967 session. It was further recommended by the Secretary that action be taken under State and local law to assure compliance with such classification requirements.

The tributaries to the Androscoggin River were classified in 1965 and the Androscoggin River itself was classified in 1967 in accordance with these recommendations. Upstream of Berlin, New Hampshire, the river was classified by New Hampshire as Class B. These waters are considered acceptable for bathing and other recreational purposes and, after appropriate treatment, for use as municipal water supplies. Below Berlin the future highest use of the river was set by New Hampshire at Class C; these uses include recreational boating, fishing, or industrial water supplies.

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* Reorganization has transferred the water pollution control activities from the U. S. Department of Health, Education, and Welfare, Public Health Service, to the U. S. Department of the Interior, Federal Water Pollution Control Administration.

Myron Knudson

Under the provisions of the Water Quality Act of 1965, the States of Maine and New Hampshire submitted water quality standards consisting of criteria and an implementation schedule for achieving the criteria. The Androscoggin River was included in the submissions. Implementation schedules to construct waste treatment facilities, as listed in the water quality standards, are presented in Table 1.

The implementation schedules submitted by the State of Maine for the Androscoggin River were accepted by the Secretary of the Interior. In essence, the schedules call for the construction of facilities to treat the sources of pollution considered by this conference to be completed by November 1973. In his August 16, 1968, letter to Governor King of New Hampshire, the Secretary of the Interior stated that he did not approve the New Hampshire submission for the Androscoggin River. He indicated that the proposed New Hampshire compliance time schedules for the sources of waste on the Androscoggin, with overall completion in April 1976, should be more compatible with the intent of the enforcement conference and the schedules established by Maine.

New Hampshire law provides that if pollution be of municipal or industrial origin the time limit set by the

New Hampshire Water Supply and Pollution Control Commission for abatement shall be no less than 2 years nor more than 5 years after adoption of a classification. For good cause shown, the Commission may extend any time limit established.

Under the recommendations issued in 1963 by the Secretary of Health, Education, and Welfare following the first session of the conference, the time schedule for pollution abatement should be in accordance with State and local law. The intent was clearly that no more than 5 years was to be allowed following classification. Since the Androscoggin River classification in New Hampshire went into effect in September 1967, the pollution in the New Hampshire portion of the river should be abated no later than September 1972.

As the pollution of the Androscoggin River, subject to abatement under the Federal Water Pollution Control Act, continues to cause poor quality conditions, it is recommended to the conferees that the compliance date for sources of pollution in Berlin and Gorham, New Hampshire, be set to complete construction by September 1972.

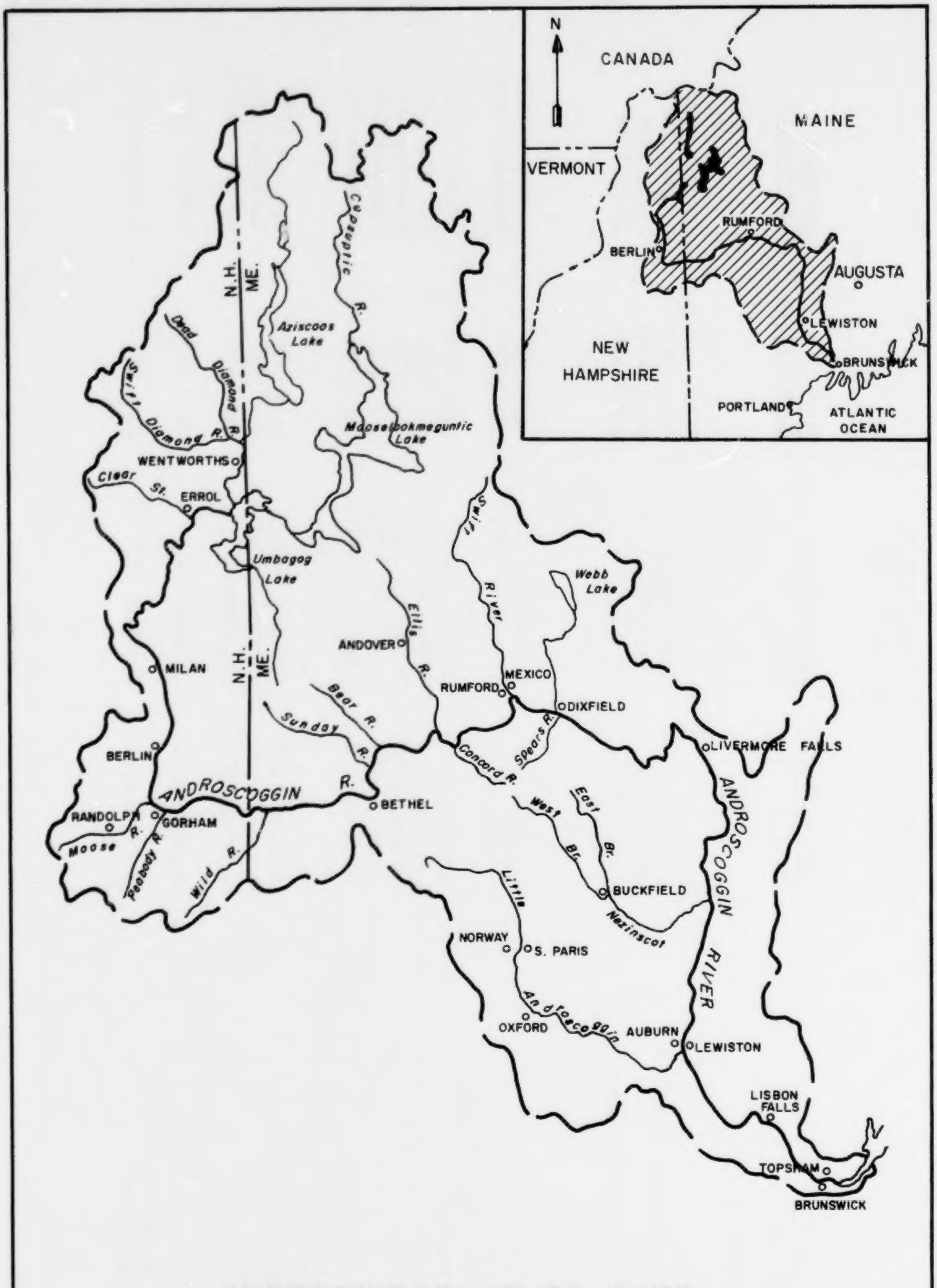
Mr. Chairman, I would like at this time to enter Table I into the record which I will summarize with your permission.

MR. STEIN: Without objection, this table will be entered as if read.

TABLE 1

IMPLEMENTATION PLAN CONTAINED IN
STATE WATER QUALITY STANDARDS

Municipality or Industry	Engineering Reports	Construction Plans	Start Construction	Complete Construction
NEW HAMPSHIRE				
Berlin	April 1968	June 1972	March 1974	October 1975
Brown Company (Berlin)	April 1968	June 1972	March 1974	October 1975
Gorham	April 1968	June 1972	March 1975	April 1976
Brown Company (Gorham)	April 1968	June 1972	March 1975	April 1976
MAINE				
Bethel	October 1970	September 1971	May 1972	November 1973
Rumford	October 1970	September 1971	May 1972	November 1973
Oxford Paper Company (Rumford)	October 1970	October 1971	June 1972	October 1973
Mexico	October 1970	September 1971	May 1972	November 1973
Dixfield	October 1970	September 1971	May 1972	November 1973
Jay	October 1970	September 1971	May 1972	November 1973
Livermore Falls	October 1970	September 1971	May 1972	November 1973
International Paper Company (Chisholm, Jay & Livermore Falls)	October 1970	October 1971	June 1972	October 1973
Auburn	October 1970	September 1971	May 1972	November 1973
Lewiston	October 1970	September 1971	May 1972	November 1973
Bates Manufacturing Company (Lewiston)	October 1970	October 1971	June 1972	October 1973
W. S. Libbey Company (Lewiston)	October 1970	October 1971	June 1972	October 1973


CANADA
MAINE
VERMONT
N
RUMFORD
BERLIN
AUGUSTA
LEWISTON
BRUNSWICK
NEW HAMPSHIRE
PORTLAND
ATLANTIC OCEAN
N.H.
ME.
Cupsuptic R.
Aziscoos Lake
Dead Diamond R.
Swift Diamond R.
Mooselookmeguntic Lake
WENTWORTHS
Clear St.
ERROL
Umbagog Lake
Swift River
Webb Lake
Ellis R.
ANDOVER
MILAN
MEXICO
RUMFORD
DIXFIELD
Bear R.
Sunday R.
BERLIN
Spears R.
Concord R.
LIVERMORE FALLS
ANDROSCOGGIN R.
RANDOLPH
GORHAM
BETHEL
West Br.
East Br.
Moose R.
Peabody R.
Wild R.
BUCKFIELD
Little
Nezinscot
NORWAY
S. PARIS
Androscoggin
OXFORD
AUBURN
LEWISTON
ANDROSCOGGIN RIVER
LISBON FALLS
TOPSHAM
BRUNSWICK

ANDROSCOGGIN RIVER BASIN

Table 1 contains the implementation plan submitted in the State of Maine and New Hampshire Water Quality Standards. In summary, Berlin and Gorham, New Hampshire, have been scheduled on or before the following dates: Engineering Reports - April 1968; Construction Plans - 1972; Start Construction - March 1975; Complete Construction - April 1976.

The 1976 date is more than 4 years beyond September 1972. The dates for Maine have been approved by the Secretary of the Interior and completion of construction is by November 1973.

MR. STEIN: Are there any comments or questions? Just one point in clarification. You talk about sources of pollution and Berlin and Gorham, New Hampshire, be set to complete construction by September 1972. From the table it appears that you mean industrial as well as municipal sources, is that correct?

MR. KNUDSON: That is correct.

MR. STEIN: Any further comments or questions, Mr. Klashman?

MR. KLASHMAN: No, I have none.

MR. STEIN: Thank you very much.

MR. KLASHMAN: Are there any other Federal agencies here who wish to be heard. If not, that completes the Federal presentation, Mr. Stein.

MR. STEIN: Thank you. We will now call on Mr. Peloquin.

ALFRED E. PELOQUIN, EXECUTIVE SECRETARY,
NEW ENGLAND INTERSTATE WATER POLLUTION
CONTROL COMMISSION, BOSTON, MASSACHUSETTS

MR. PELOQUIN: Mr. Chairman, fellow conferees, ladies and gentlemen:

For the past two years, the scheduling and the cost of constructing waste treatment facilities have been of grave concern to State and Interstate Water Pollution Control administrators. I think we all agree that water pollution is probably our most pressing environmental problem. Also, I think we all agree that we have the technical knowledge and the hardware necessary to abate most water pollution problems existing today. The implementation schedules developed by the States in compliance with the Water Quality Act of 1965 were developed in good faith, as realistically as possible and were predicated upon the availability of Federal grant funds consistent with the authorizations set forth in the Clean River Restoration Act of 1966 which authorized $3.5 billion for Federal construction grants through June 30, 1971. However, during the past 4 years Congress has appropriated only $567 million of the $2.3 billion authorized for that period, a little less than 25 percent of the amount authorized. The money necessary to complete the job within the time schedules approved by the Secretary of the Interior is lacking.

We are all aware that the Crusade for Clean Water developed strong support in the House of Representatives for the full $1 billion appropriation for fiscal year 1970 in lieu of the $214 million contained in the Administration's budget request. The higher appropriation was defeated on a teller vote of 146 "ayes" to 148 "nays." Defeated by two votes. I have been advised by Members of Congress, specifically members of the House of Representatives, that they were told the Government would be unable to spend the $1 billion if it is appropriated. Also, that much evidence was presented indicating that under the current allocation formula, the $1 billion was actually more than could be spent by the Department of the Interior. Nationally, as well as in the New England Compact area, the rate of municipal waste treatment plant construction is wholly dependent upon the level of Federal grant appropriations. In earnest efforts to meet the scheduled construction dates, six of the seven States signatory to the New England Interstate Water Pollution Control Compact are advancing to municipalities the Federal share of construction grant funds because such grants, although authorized by law, are unavailable due to inadequate appropriations. To date, there has been no reimbursement of this State prefinancing. At this rate, the coffers will run dry in the not-to-distant future.

I feel that this Second Session of the Federal Enforcement Conference on the Androscoggin River was called at a very inopportune time. Congress is still debating the appropriation level for construction grants. Although the House has voted a $600 million appropriation, we hope that the Senate will consider the $1 billion level. The Compact-Member-States can use in fiscal year 1970, funds in excess of their estimated State allocations based on a $1 billion appropriation. Under the $600 million appropriation, Maine would receive an estimated $3.9 million and New Hampshire $2.7 million. Under the $1 billion appropriation, Maine would receive $6.1 million and New Hampshire $4 million. Maine has advanced the Federal dollars for construction of waste treatment facilities to the extent of $3.5 million and

New Hampshire to the extent of $11 million. For fiscal year 1970, Maine could use Federal grant funds totaling $20.5 million. This includes reimbursement of the $3.5 million prefinanced and $17 million for new construction ready to proceed. New Hampshire, for fiscal year 1970, could use $11 million in Federal grant funds.

Congress is also considering legislation to provide supplemental methods of financing by means of contractual arrangements with municipalities and also legislation to amend the Internal Revenue Code by deleting the tax exempt feature of municipal bonds. The Legislatures of the States of Maine and New Hampshire will meet in special sessions in January. Additional water pollution control legislation and/or bonding measures will be considered at these sessions. All of these activities could have an impact on the construction schedule. The uncertainties regarding retention of the tax exemption features of the municipal bonds make it difficult for municipalities to sell their bond issues and has resulted in delays.

The New England Interstate Water Pollution Control Commission supports the implementation schedules submitted to the Secretary of the Interior by the Compact-Member-States and would favor an adjustment in the New

Hampshire dates if this can be achieved. However, I feel that until Congress has decided on the level of funding for 1970, until the tax exemption status of municipal bonds has been finally resolved, until it can be determined what the action of the State Legislatures will be, agreement or adjustments to implementation schedules would be a mere sham and a delusion of the public -- a public which has been led to believe more can be accomplished than is actually occurring.

I would propose that no action be taken relative to adjusting the implementation schedule until Congress and State Legislatures have taken final action on water pollution control legislation and appropriations, which should be early in 1970. At that time, the New England Interstate Water Pollution Control Commission will request another meeting to review the implementation schedules in the light of actual developments and if necessary realistically adjust the schedule to conform to these developments. In the event the Secretary of the Interior recommends a shortening of the implementation schedule now and Federal grants remaining inadequate, we will look to the Department of the Interior to recommend which projects in other basins should be deferred to make funds available for the Androscoggin facilities. That is my statement.

Alfred Peloquin

VOICE: Mr. Chairman --

MR. STEIN: Yes, sir. I am sorry, we are only opening the floor to the conferees for comments or statements. We are not taking questions from the floor. If you want to make a statement you can and get all these points in.

Without trying to engage here with Mr. Peloquin in any way, I would like to just clarify the points from the Federal position.

(1) I think the testimony before the Appropriations Committee has been that we have an allocation formula and where we have to allocate the funds among all the fifty States there is an 18-month lag before under the law we can make these monies available for reallocation. It was pointed out that of the $600 million appropriation, perhaps $100 million would go into this deep freeze, and of $750 million we would have $200 million, and of the $1 billion we would have $300 million.

The question here was this -- if, as the law operates, no matter how much any State can use, whether it is Massachusetts, Illinois, or California, until this 18-months' period goes by, and perhaps a State like North Dakota or Virgin Islands — which is considered a State — or Alaska, gives up part of its allocation, that money will not be available anyway, and there is not very much we can do about it.

There is the other point. The other point is -- we have had these discussions many, many times -- is this dichotomy allegedly between the Federal Government and the Congress, or the Executive Department and the States? I think we are all -- who is the Congress, who are we? We are just representatives of the people. Just looking at this. Mr. Peloquin represents an agency that has among its signatories, States comprising 14 percent of the Senate, and I suspect about as much in the House.

So I don't -- I really don't think that there is that kind of difference. I think the Congress does reflect, as State legislatures reflect, what the people want.

Now, as for this timing business and holding back operations because of proposed legislation, I can't think of any time that you can't point to some legislative action which might be coming up or might take place that you might want to wait on. And the judgment is you call these things to move ahead in due process and try to get things moving or do you wait on this legislation? I think the points made by Mr. Peloquin have been very articulately stated and well considered, but I just wanted to point out for the record that on balance there may be a view possibly on the other side.

Are there any questions or comments?

MR. PALAZZI: Mr. Chairman.

MR. STEIN: Yes, Mr. Palazzi.

MR. PALAZZI: Are you saying, do I understand you right, are you saying that you are expecting this to move forward without regard to what Congress might appropriate at the same time that we would move, if Congress appropriated more money?

MR. STEIN: Well, I am making no conclusions now until I hear what you have to say. But I think the Assistant Secretary said this several times and the point is -- I think the law is pretty clear on this -- that the requirements for abatement of pollution is there independently of the financial-aid provisions of the Act. And these operate independently of each other.

Now, I think this is part of the issue on which we are going to get into a discussion. The only reason, Mr. Palazzi, I would just like to indicate at this point, there might beanother point of view. And this is possibly one of the issues we want to discuss.

MR. PALAZZI: I am sure before this conference is over we will make our point of view pretty emphatic -- that we feel that we cannot speed up unless you come up with your share.

MR. STEIN: Mr. Peloquin.

MR. PELOQUIN: I think, Mr. Chairman, the only other alternative would be to realign the priorities and defer projects in other basins and make that money available here for the Androscoggin.

MR. STEIN: Again these are all questions we face. And I can't help being reminded that when we were here first in 1962 and 1963 the cost of doing the job then as related to the cost now, I am not sure whether waiting for funds is really an economy to the taxpayer.

MR. HEALY: Mr. Chairman.

MR. STEIN: Yes.

MR. HEALY: May I just comment on what you have stated? I think that the States cannot afford to wait. In fact, I think there is very clear evidence here in New England that they recognize the problem of rising costs and that they have entered into prefinancing plans. We happen to be one of the last to do so, but we do have coming forward in the next 2 years a substantial amount of prefinancing in New Hampshire to compensate for the lack of adequate Federal funding up to this point.

I think that the record should indicate this. I also support Mr. Peloquin's view that there is a misunderstanding at the congressional level. I have talked with both of our Congressmen and they are impressed by reason of contact with FWPCA people in Washington, as well as the Department of Commerce, that the maximum that could be used at this time to service as far as they know all known needs is $600 million. This is not the fact because he indicated that, Mr. Peloquin did, what the picture is here in New England.

We could assign far more than the amount that would be available to us under the $600 million appropriation. We feel the same is true throughout the country.

MR. STEIN: Again let me --

MR. HEALY: I respect the attitude of the Agency, but, nevertheless, there is a lack of understanding on the part of at least our Congressmen -- and I think that they reflect generally what might be the trend with other Congressmen -- the $600 million is enough to fill the needs. This isn't so.

MR. STEIN: Again let me -- as you recognize, we do have this reallocation formula that is in the basic law and can't be changed. While I appreciate your point, Mr.

Healy, it always seemed to me that the Congressmen were very attentive to the States and citizen groups that testified.

Now, as you know they just do not listen to the Federal agency alone. And, as you may know, my primary responsibility has not been for the past few years in financing of construction grants. I did not participate or prepare that testimony. But if the Congress was impressed by the Federal presentation, I think the proper forum there, if you feel that their view is not correct, is the Congress.

It seems to me they are always very attentive, particularly to what the State representatives indicate to be their point of view, especially if it is backed up with facts and logic.

MR. HEALY: Well, of course there is a basic disagreement here. We feel that the Federal agency has the same responsibility as we do at a State level to reflect the actual needs. Apparently what was decided is what you could handle through the mechanism of your own organization and this was all that was requested.

The disagreement arose, as we understand it, whether in the area of whether or not $600 million versus $1 billion should be made available. We feel that the

$1 billion should have been made available and more, but at least the billion dollars.

MR. STEIN: Well, go ahead.

MR. PALAZZI: We don't have a very good argument with our Congressmen when they tell us that your Department has told them that all they can spend is $600 million, when we tell them we need the $1 billion. We try to sell them on the point of needing the billion and they come back at us and say, your Department has said they can't possibly use that.

MR PELOQUIN: Mr. Chairman, I can't quite conceive that New England is the only State in this position being able to use the full authorization and allocation. I am sure among the other States nationwide there must be others who are advanced to the point where they can use their full appropriation. Now, I have polled the States, I would like to clarify for the record that the figures which I stated in my statement with regard to what New Hampshire and Maine could use applies only to those two States. Speaking for the six New England States alone, the six States can use or can qualify for $149 million in grant funds. This is construction that is ready to go. They have advanced so far $66.7 million to municipalities. This does not include New York State. New York State is also a member of our Compact.

Now, under the $1 billion appropriation the six New England States would receive only $59 million total. And they have $149 million ready to go. I am sure there are other States nationally in the same position. Now, New York State on the basis of their activities so far they have committed for prefinancing $400 million and they have construction ready to go which would qualify them for $1,619,000,000 in grant funds.

So I think this is a fairly strong evidence that the States are moving and can use the money, if the money is appropriated.

MR. PALAZZI: Mr. Chairman, I want to remind you that had the Federal Government appropriated the authorized amounts we would have had $10 million more construction completed at this point. And that would have gone a long way to cure some of our problems in this area.

MR. STEIN: Yes. Well, again, you know this is the old argument. Let me try to respond to Mr. Palazzi first. While there were authorized amounts, if the Federal Government ever had a budget fully financing all its authorized amounts, maybe a lot of people in the room would be shocked because the authorization is not the appropriation, as is evident with the State programs. And the point is in the Federal Government we have constraints on national budget requirements and national priorities, both domestic and international. I don't think we really need, nor is it necessary here to spell out, the obligations that the Federal Government has -- the international obligations that the Federal Government has had in the past several years since this authorization was approved.

This always had to be taken into consideration. Now, with regard to the other point, if there are many States that have this view -- again, let us look at the situation in our country -- I think where enough of the States have a view and think they have the facts and logic on their side and they make a presentation to the Congress, the notion that in that case the view of the Federal people prevails just because we put it out as a Federal view does not seem to me to coincide with historical facts in our legislative and political process in this country.

The point is there must be -- again as I said that I don't do this as a primary duty -- there may be some logic and facts on the side of the Federal presentation. This is just a question of arithmetic.

Now, again, I heard this in Washington before I left and have no reason to doubt it: that if we got a $1 billion appropriation, because of the reallocation nature of the formula, $300 million of this $1 billion would not be available for expenditure for about a year-and-a-half. And the judgment, at least of the House and the Senate and the Administration has been that it would be wise to go ahead and not put that $300 million in the deep freeze for that long.

Now, I would like to point out that this was not, as far as I can see, just looking at the record again as an open and shut case. This was a very close question. And the $600 million prevailed in the House by 2 votes, so it was a very close question. When you get a vote that close in any legislative body, I think, in all fairness, you have to recognize that probably there are many, many points on both sides.

I think when any issue can come either way within two votes of success or failure, you have to recognize that there may be a very strong position. And I would say here that I don't think there is any doubt that some of the arguments that we use have proved very persuasive, but we are still working through that legislative process. And I think it compared to the situation that we had several months ago on the likelihood of increased appropriations. I think the situation looks much brighter now. Certainly, the minimum figure looks like $600 million and that is compared to $214 million. That is nearly three times as much already.

Are there any other statements and comments on this?

MR. PALAZZI: Yes, I have one statement. You talked about priorities on the Federal level, and I think I am in full agreement, we must have priorities and we must have restraints in spending. However, I think the same priorities that we used on the Federal level we must use on State level so we are back to the same point.

MR. STEIN: That is right. I would agree. And you know, Mr. Palazzi, I would agree with you 100 percent on what you just said. This notion -- and you may have a notion here, a philosophic notion -- of States' rights -- or Federal rights is fine. But I think if we are ever going to lick the water pollution problem, this has to be put into the background. The job is so big that we all have to do it -- State, Federal, city and industry. If we don't do it it is not going to work.

Now, you can get all these conflicts because the water doesn't know it and the fish don't know it. If you have the conflicts, the water isn't going to be clean and the fish are going to die; they are not going to live. And this is the issue we face. The reason we are here today and probably hearing some of this discussion is to try to get over these hurdles and work toward an accommodation. And I have enough faith and confidence in our system to be convinced that we will work out an accommodation. The way I look at what is happening in the Congress now, both in the House, and it will be coming up in the Senate, is a process towards this accommodation. I think a compromise is emerging and coming out in this area. Yes.

MR.MacDONALD: Mr. Chairman, on this reallocation business, isn't that process in effect slowing the States that have a lot of work to do down to the pace of those who don't have much work to do or have it nearly all done?

MR. STEIN: Now, Mr. MacDonald, let me again make a point or two on this. As some of you know -- certainly Mr. Healy and Mr. MacDonald who know me for years -- I have worked in the field of Federal-State relations for many, many years and worked on these grant formulas for many years.

Alfred Peloquin

When they talked about holdovers in this Administration, they asked about me and I said, "Yes, I am a Roosevelt holdover." But one thing I learned when I first came into Government under a former Secretary of the Interior -- and we in the grants field have always called this the "Ickes rule" -- and I believe it is still true -- is that any bright young man can come up with a grants program and a formula that can meet the priorities and be pretty equitable. But as Secretary Harold Ickes said, and that was back in 1946, "If you don't split the pies 48 ways, you just ain't getting it through the Congress."

Now, again, without making a judgment on the validity or the nonvalidity of this reallocation formula, I think this is what happened when this was passed in 1955 and 1956. It was just another example of the inexorable application of that "Ickes rule." That is, in order to get this thing passed, a formula was devised whereby the money was spread out among all the States and they were given a crack at it before it went by.

Now, again in the grants field, this is a fact of life that some of us have learned to live with: We may have made recommendations again and again for its modification, but possibly after a program runs for awhile we can do it here and together with the States.

I will give you my personal view. I would prefer to see a much more flexible formula on this. As a matter of fact, I would prefer -- and let me give you one more point -- to see a more flexible allocation formula, even at the beginning. Because, for one reason or another, we give a weight of 50 percent for the size of the State in terms of population and another 50 percent to the average income in that State and just add them together instead of multiplying. And I think you would be in much better shape if we could multiply them rather than doing what we do.

So I would not say that in all cases that as far as New England and probably some of the other more populous States that the allocation formulas we have are very realistic. But we have them and I think these are some of the things we are going to have to look at. But when you get an appropriation ready this is what we have to live with. And the computation that our people have come up with has indicated that if they got $1 billion now this would happen.

MR. MacDONALD: Well, I agree with you on that. But what we are headed for here is a continuous slowing down of the program because as more and more States come in and their needs are satisfied in this regard the total appropriations will keep cutting back to put the States that have a lot still to do on level with the States that are all finished, low populations, low number of towns, and that sort of thing. It will be just a progressive slowing down of the whole project. I think in your --

MR. STEIN: Going out of business. Again, Ray, I think your point is made. I think the computations that were made here -- let's assume it is correct -- with these $300 million out of the $1 billion not being able to be used for 3 years, as indicated, is precisely the problem you have. And, again, let me suggest I think the proper forum for this would be the people in Washington and the Congress. Well, as much as I may sympathize with you on this point, I really don't have the jurisdiction to change this.

But I can't argue with your point at all.

MR. PELOQUIN: Who do you mean? You mean the people in Washington and the Congress?

MR. STEIN: The Executive Department and the Congress is the proper forum for this. Now, again let me say, and maybe sometimes sitting there I may wear another hat, but coming out to enforcement conferences I am given a very limited delegation of authority by the Secretary.

And certainly one of the delegations I do not have here is the authority to make any judgment on changing of grants policy or recommending grants legislation.

MR. PELOQUIN: I agree with you in this respect I think it may be in order. It seems that the basic problem here is one of allocation of funds, and I am sure that the New England Interstate Commission will be more than happy to work with the Administration and any others in an attempt to devise a new and more equitable formula which would allow greater progress in construction. I am sure that the association of State and Interstate water pollution control administrators would have very much interest in this area also.

MR. STEIN: Mr. Palazzi?

MR. PALAZZI: You said that because of the $300 million that could not be spent for a year and a half, that there was a question whether they should appropriate the $1 billion. I think they should, for the simple reason that we need leadtime to get some of these projects going. For instance, these two towns we are talking about right here today -- Berlin and Gorham, I think and also Groveton, for instance, the size of that project -- we would need some leadtime, and if we know that we have this money coming to us, then we can proceed faster with the money encumbered. We can use this time to good advantage, is what I want to say, and they should go along. This is what the Department should be selling the Congress.

MR. STEIN: Well, Mr. Palazzi, again as I say, I think this is a very close question, as indicated by the vote. And, of course, the issue has not been decided completely in the Congress yet because there is another House for it to go through. And anyone can still make his views known.

By the way, to get back to Mr. Peloquin, for years I have worked with some of the top mathematicians in this field in developing these grant formulas. Now, I don't think once you set up the policy that there is going to be any problem of these fellows pulling in one of these formulas out of the drawer that is going to do the job that you want to do if we can get at this. This is a technical matter and I think that the mathematics of it have been pretty thoroughly explored. There has been a lot of work done in this area. Are there --

MR. HEALY: Mr. Chairman.

MR. STEIN: Yes.

MR. HEALY: I don't wish to belabor the issue here, but I do think that it would be helpful to the Congressmen as a group to understand that there is an understanding on your part that the problem is as it is. In other words, the demands and the needs are much greater than the $600 million appropriation would cover. They do not understand this now, based on the conversations I have had with them. They think that $600 million is all that is really needed to fund the projects that the States have to present to the Federal Water Pollution Control Administration. This should be cleared up. We think that further -- and this has been stated but maybe a little emphasis again would help -- whatever flexibility is needed within your own organization to apportion these funds among the States that can use them, should be sought so there is not this long delay between planning the projects and funding it. These projects are increasing at the rate of cost of about 10 percent per year and this is a lot of money.

MR. STEIN: Well, you can be sure, Mr. Healy, I will take your views back, at least to my bosses. I think the flexibility is not in the organization, but it is in the statute. And the allocation formula and the reapportionment formulas are pretty darned rigid. They don't give you much flexibility, and this is not an organizational matter; this is a statutory matter.

MR. MacDONALD: I think there is another thing too, Mr. Chairman, that you should take back. That is it is very difficult for the States to operate on a fluctuating financial program. Leadtime has already been mentioned. We have to have that. And besides the leadtime, we have to know where we are going from one year to another throughout that leadtime.

MR. STEIN: Well, again, I couldn't agree with you more on that, Mr. MacDonald. I think both Mr. Healy and Mr.MacDonald were around at the time. Remember, when we first had the State grant program, and in 1953 they were cut off completely. I think they put us all in a tailspin for a year before we could readjust.

However, I think this is something that every Administrator tries to achieve. We are not always successful, but I will agree with your point.

MR. MacDONALD: The fluctuations are simply killing.

MR. STEIN: May we call, if there is nothing more, Mr. MacDonald for the State of Maine.

RAEBURN W. MacDONALD, CHIEF ENGINEER,
MAINE ENVIRONMENTAL IMPROVEMENT COMMISSION,
AUGUSTA, MAINE

MR. MacDONALD: Thank you.

Mr. Chairman, fellow conferees, ladies and gentlemen:

Since the previous conference pertaining to the Androscoggin River there have come to pass several legislative, administrative and financial developments. Specifically the Federal Act requiring implementation plans for all interstate waters, changes in Federal aid to construction of wastewater treatment works, and the failure of funding of the authorized Federal aid upon which the implementation plan was based have been significant.

With respect to the Maine program the schedule of construction which was its backbone was developed on the basis of $6.4 million worth of work which should have been developed in fiscal 1968, by that year's aid authorization of $3.2 million, the $8.6 million which should have been accomplished in 1969, the $12.2 million expected in 1970, and the anticipation of doing about $14.5 million in 1971, the last year covered by this series of authorizations, and in each year thereafter, until 1976, when the program as we knew it at that time should be finished.

The implementation program has been applied to both interstate and intrastate waters and to date we have been able to follow it quite closely. But a situation exists now that confuses our schedule, and it is possible that a conference at this time cannot develop satisfactory and conclusive results. Maine, in common with others, has suffered from the lack of funding applied to the authorizations of the 1966 Act, and although the State has prefunding, problems exist. First of all, with Federal aid, the direct aid last authorized was about $1.8 million annually, which would generate $3.6 million of sewage works construction -- a very puny effort when we consider that the total job will involve upwards of $170 million in projects involving Federal aid. Certainly the higher funding now being discussed will make the picture brighter, but at the highest rate suggested so far we will still be behind schedule.

There are additional items which also affect the Maine program. One of these is the fact that we are dependent on the passage of the bond issue authorization for continued maintenance of the State program and of the prefunding program.

Just a word of explanation on that: We already have a bond issue program, but the authorization of the bond issue would run out before another session of the Legislature and referendum could make it effective.

So we have a bond issue authorized by the last Legislature and coming to referendum on November 4. And on that hinges the financing of the Maine program 2 years hence and from then on.

Another is the fact that the present bond issue must, by referendum action, be sold at an interest rate not exceeding 5 percent. Should failure develop in both of these cases some sort of emergency action by State government will be necessary if the program is to be sustained.

Another thing which will have a profound effect on program tempo is the increase in cost of construction which has risen much more rapidly than predicted. Then the high interest rates on bond issues will induce a great deal of apprehension by municipal officials.

Aside from the financial picture, I believe a reasonable movement toward stated goals exists. The 1967

Legislature classified the Maine share of the river in Class C -- a category recommended for fish habitat, noncontact recreation, etc. -- and established the date of final completion with the classification as 1976, a date common to all classifications and reclassifications made by that session.

The same act required that construction commence not later than October 1, 1973. Also in realization of the fact that since nearly all schedules established by statute had 1976 as a completion date and that this would create an impossible problem with respect to aid, it endowed the then Water and Air Environmental Improvement Commission with the power to accelerate the compliance scheduled when justified and after proper hearings.

Once again the confused situation with respect to financial aid reflects in action taken. The Environmental Improvement Commission has followed through with the steps required to upgrade the stream ahead of schedule through the point of holding the necessary public hearings. The formal orders have not yet been issued because of the confusion surrounding the aid picture; should it terminate with one conclusion the orders should bear one date, but another set of circumstances would require another compliance time. I wish to note that a copy of the hearing transcriptions covering the Androscoggin held at Rumford and at Lewiston are submitted for your information.

We hope to see the Androscoggin River reclaimed as soon as possible and plan to leave nothing undone to further this end, but it must be recognized that the lack of Federal aid has taken a toll, and Maine may have to set back the date of 1973, which its implementation plan has established for completion of the Androscoggin program.

Once again, we wish to call attention to the confusion surrounding the vital elements upon which the time schedule of implementation rests. Until these matters become firm any schedule which is developed is insecure and a move in any direction would perhaps later need correction.

MR. STEIN: Mr. MacDonald, do you want to submit those hearing transcripts for the record or not?

MR. MacDONALD: I have them right here, sir.

MR. STEIN: How many copies do you have?

MR. MacDONALD: I have two copies of each, I think.

MR. STEIN: All right. If you want, we will accept them.

MR. MacDONALD: If you want more I will send them to you.

MR. STEIN: We will accept these as an exhibit and they will be on file at the Boston office and at FWPCA Headquarters available for inspection during normal business hours. Thank you. Are there any other comments or questions?

(The above-mentioned transcripts, marked Exhibits 1, 1a and 1b, are on file at Headquarters FWPCA and the Northeast Regional Office, Boston, Massachusetts.)

MR. PELOQUIN: I have a question, Mr. Chairman.

MR. STEIN: Mr. Peloquin.

MR. PELOQUIN: Yes, Commissioner. Mr. MacDonald, you made mention that you may have to set back the date of 1973. This would be dependent upon the action of your Special Session of the Legislature next year?

MR. MacDONALD: It would be dependent upon the clarification of the financial picture.

MR. PELOQUIN: At the Federal level or State level or both?

MR. MacDONALD: At both. Either both or what have you, just as long as we get it clarified and are able to set up a program.

MR. PELOQUIN: If funds are available you will hold with the 1973?

MR. MacDONALD: If they aren't then we will have to modify them.

MR. STEIN: Mr. Palazzi, do you have any questions of Mr. MacDonald?

MR. HEALY: I would like to say, Ray, do you have any strong disagreements with the schedule which we have incorporated in our standards?

MR. MacDONALD: No, no. Hopefully -- why we certainly couldn't have any strong disagreement with it because we don't know that we can make one any sooner. It all depends upon aid.

MR. STEIN: Do you have any comments or questions, Mr. Klashman?

MR. KLASHMAN: No.

MR. STEIN: Thank you very much, Mr. MacDonald. Now a report on New Hampshire.

JOHN PALAZZI, CHAIRMAN,
NEW HAMPSHIRE WATER SUPPLY AND POLLUTION CONTROL
COMMISSION, CONCORD, NEW HAMPSHIRE

John Palazzi

MR. PALAZZI: Mr. Chairman, I want to apologize for being late. There was a contractor that had the road traffic blocked up down the road and we didn't get here. I certainly would have been here on time had I known that you intended to extend this courtesy in giving us this seat at the head table. I can remember 6½ years ago, we were not entitled to such courtesies, and I strongly approve of the democratic process that you are adhering to today. I can remember in Portland that we did not get along as well as we are today.

And I might say that I also agree that the only way we can cure our problems with our pollution problems is with the cooperation that we must have between the cities and towns and the State and the Federal Government. And the funds must come from all three accordingly. Of course, I must include industry in that group.

We have a formal statement here that is going to be very repetitious with what has been said this morning. But for the record I would like to ask your indulgence.

Mr. Chairman, once again we are appearing here before you with regard to the pollution control program which the New Hampshire Water Supply and Pollution Control Commission is attempting to develop for the benefit of its

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citizens and people of the States with whom we share these waters. In this particular instance, of course, it happens to be the Androscoggin River, and although the stream mileage within New Hampshire is relatively small as compared to the portion which flows through the State of Maine, the investment necessary in terms of the cost of pollution control facilities to upgrade these waters in New Hampshire will be a very substantial one.

We are conscious of the fact that Secretary Udall, in his letter of August 16, 1968, to Governor King approving the New Hampshire Standards, excepted from his approval the time schedules which New Hampshire submitted in connection with both the Merrimack and Androscoggin watersheds and said it would be necessary to reconvene conferences earlier held with respect to both basins. At the reconvened session in Concord on December 18, 1968, relative to the Merrimack, you will recall that our position had to be one of adhering to the schedules contained in the water quality standards submitted to you. We find ourselves in the exact same position with regard to the Androscoggin Watershed.

It is a matter of simple fact that the Federal grant appropriators have been at such a low level that the entire control effort for our interstate waters has been seriously impaired. With construction costs now rising at a rate of about 10 percent per year, the slippage caused by inadequate Federal funding is even greater than might appear by an examination of the actual dollars involved. In other words, projects which could have been undertaken 2 or 3 years ago will now cost 20 to 30 percent more, merely because of the lapse of time; and grant allocations have not been geared to compensate for the spiraling costs of pollution control facilities. Thus, the failure by Congress to appropriate full authorizations is a 2-edged affair and the effects will be evident in delayed construction and higher costs all around.

At the Concord conference nearly a year ago, reference was made to the statement made by the then Assistant Secretary for Pollution Control, Max Edwards, during his appearance at the Federation sessions in Chicago on September 24, 1968:

"We believe that the Federal Government must help our cities and towns meet their tremendous water pollution expenditures. And we believe that it must be done now. How can we insist that the States adopt tough water quality standards and, at the same time, fail to commit the necessary Federal dollars."

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End of quote, and we still agree with him.

More recently we have heard it stated by the present Assistant Secretary, Mr. Carl Klein, that the problem must be faced squarely by local communities and industries regardless of the availability of Federal funds to aid in the construction of the required facilities.

I would submit to you, Mr. Chairman, that this is a most unrealistic attitude and one which we feel would not be sustained by the courts. In our judgment, the only logical approach involves full recognition of the financial obligation which each level of government must assume. Local governments must accept their share of the costs, but so, also, must the States and the Federal Government if the job is to be done.

As concerns the difference which exists between the New Hampshire and Maine schedules for the Androscoggin River, it must be pointed out that we did consult with the State of Maine control authorities in developing the construction schedules and there were no objections to the time limits established in New Hampshire's implementation plan under the Water Quality Standards submitted.

They are aware of the many projects which must

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be constructed along other interstate streams within the boundaries of New Hampshire and appreciate the financial commitments which these projects represent. In other words, there is a clear understanding of the fact that schedules which have been developed State-wide are reasonable in each instance having due regard, of course, to the grant funds which could be anticipated from the Federal Government during the period of the next several years.

So far as we know, the State of Maine today is not taking issue with the 1976 completion date which has been advanced by us for the Androscoggin River. With all due respect to the Federal interest, if the two States and the New England Interstate Commission are satisfied, in the light of all circumstances involved, with particular emphasis on the financial aspects, that existing construction schedules are equitable, then we find it extremely difficult to understand why pressure should be brought upon from the Federal Water Pollution Control Administration to accelerate the control plan.

If there is insistence on your part that the construction time be shortened, then it is quite apparent that projects for other interstate waters involving New

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Hampshire must be delayed. Pursuing this point further, if it is the decision of the Federal agency that we should concentrate on the Androscoggin River program, then we will need your concurrence in delaying schedules for other watersheds, such as the Merrimack, Connecticut Rivers as well as the seacoast area. Our preference, in fact our objective, has been to maintain a balanced effort in all drainage basins in order to accommodate to the desires and wishes of the adjacent States. We feel that this policy should be preserved.

I will turn now, if I may, to the matter of accomplishments to date and the amounts of money which have been invested in the various pollution control facilities constructed up to this time in New Hampshire. I feel this is necessary in order to put into proper perspective some facts concerning progress already realized up to this moment. In fact, the State of New Hampshire over the last dozen years since grant funds have been available, our communities have built nearly 40 treatment plants. Today, we have approximately 50 plants in operation, whereas in 1957 there were only 10 systems in existence.

In the process, $50 million have been invested,

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of which the Federal Government has contributed slightly under $13 million. Local sources have provided around $17 million, and the balance of about $19½ million has been forthcoming from State appropriations. Current estimates demonstrate that in future years we will have to invest $150 to $160 million in needed facilities for some 50-odd communities. This forecast is based upon present-day construction prices and undoubtedly is on the low side. Thus, the task which lies ahead is an imposing one, but it must be faced and it cannot be achieved unless the money problems are resolved.

During the last session of the General Court, legislators were sufficiently impressed with the urgency of the problem to enact prefinancing legislation. Thus, during the next 2-year period, New Hampshire will be able to authorize some $12 to $14 million additional work through the prefinancing of Federal funds.

In light of the factors which I have just outlined with regard to the costs which have been absorbed by State and local governments, I think it is perfectly proper for us to ask, and even demand, that the Federal Government do a more thorough job of facing up to its financial commitments.

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Thus, Mr. Chairman, in closing I would suggest, in the strongest terms possible, that the most important contribution this conference could make is to force attention on the critical shortage of Federal grant funds. We feel that there must be a prompt solution for the grant fund shortage not only to allow early construction of needed projects but of equal significance to overcome the spiraling construction cost factor.

The recent action by the House of Representatives in increasing grant appropriations from $214 million to the $600 million level is somewhat imperative. However, appropriations far in excess of this amount are warranted in order to solve the problem in this locality.

As matters now stand, we are of the opinion that existing construction schedules should remain in effect, pending future action at the congressional level and an assessment of the delays which have already cropped up because of inadequate Federal appropriations.

We must work together and do the very best job possible within the funds available. And on behalf of the New Hampshire Commission I pledge our full support and energies in achieving this objective.

MR. STEIN: Thank you, Mr. Palazzi. Before we have comments or questions I believe Mr. Klashman wants to make an announcement.

(Off the record.)

MR. STEIN: There is only one comment and Mr. Klashman has remarked on this. Let me tell you that you indicate that Mr. Klein said that the problem must be faced by local communities and industries regardless of the availability of Federal funds, and you indicate that this would not be sustained by the court.

Well, this, I know, may be a point of view. I think this is the view he has on the law, possibly, and certainly I get the assignment to carry that out. But I should tell you, Mr. Palazzi, I am not in the business to lose cases, and if we have to go on we will proceed in this manner.

Now, just for your attention -- and you may or may not know this -- we have had a series of cases under the other provisions of the law on violations of standards. This has involved a major mining company, I think four steel companies and a major city. Now, the issue I think that we are going to have to face here is whether we can arrive at some kind of an accommodation. Are we going to arrive at some kind of accommodation to take back to the Secretary and in so doing make a proposal, so we can work in harness in getting the situation moving.

MR. PALAZZI: Mr. Chairman, I would hope that we would never have to go to court. I personally steer clear of the courts as much as possible in our own business. However, I don't think the Federal Government if they did win the case would be in good light. But I certainly hope that we can work these problems out together. But I still feel, and I feel strongly, that the Federal Government has an obligation here and I think their efforts should be in that direction -- an obligation to get up their share of the funds. And then I think that we will be in a much better position all the way around.

And I am sure that we can. I am sure that the communities and the industries will move forward. And I certainly hope that we never have to go to the courtroom.

MR. STEIN: I thoroughly agree with your philosophic statement on this. By the way, I think my record will show that I have been involved in cases involving some 1800 industries in about 1800 cities. That is about 3600 entities, and we have only been to court once against a city. In that case the State fully supported us and we really had no alternative.

John Palazzi

I believe on the facts of this, even the city will admit that. They put the bond issue up for vote twice; they lost once; and then the second time it lost by a bigger margin. There it appeared the only way it was ever going to move, if it was going to move, was by court order. We did go to court in that case. I don't know how serious that case was. We never went to trial; we had a Consent Decree before trial; so I think all the parties were pretty much in rapport. But I believe that this is something like international relations in this sense -- that if you go to court it is like going to war. You have really lost once you go in, at the time you go in, because no one can really win. As a matter of fact, this particular case took place 10 years ago and we are still fooling with it. When we talk about saving money, going to court and resolving this through a court order is not the simplest way. In fact, it is the most expensive way I know of getting pollution control. That goes for the industries, States, the Federal Government or what have you. Mr. Klashman.

MR. KLASHMAN: Mr. Palazzi, I just wanted to make a comment -- again, as a Federal conferee I think that our Department position is rather clearly stated on time schedules. That is, you make the statement that, you know, why should the Federal Government take issue with the 1976 date when the State of Maine and the New England Interstate Water Pollution Control Commission is not questioning it. The point is that the Federal Government, that is our Department, is taking issue with this. I don't mean just on the Androscoggin, but anywhere. And the Department feels very strongly that the dates on any streams should be compatible. And so the point is that we simply cannot accept the 1976 date. I think we will get into this later, but I just wanted that pointed out to make clear what our position was on this issue. We will get into this more later.

MR. PALAZZI: Look at our position now. Look at our position. No. 1, we have the Connecticut River, the full length, to take care of. Then we have the Merrimack. And then we have the Androscoggin. Now, we can't possibly take care of all these waters and get the same grant now, for instance. This has bothered me no end. We get the same amount of money from the Federal Government that the State of Vermont gets and we have twice the waters to clean up. Now, if you want to put priorities on which -- where we go -- we will change them if that is what you are asking for. But we certainly can't under the schedule and under the funds available take care of all of these watersheds at the same time and the seacoast area too.

MR. KLASHMAN: The points you make I think you made it in your paper. I just wanted to emphasize, I do not make this type of policy I merely carry it out. I understand your position. I understand it fully. But the position of our Department is that there is no relationship. I recognize that you don't agree with this. But there is no relationship, as you stated in your paper, between the grants and the time schedules. Our Department is not about to, you know, state that we are going to go for the Androscoggin and give in on the Connecticut and the Merrimack. We are expecting all of them to move ahead. That is the Department position.

MR. PALAZZI: I understand that. But of course you folks have been known to change your position. You see, Mr. Klein and Mr. Edwards don't agree and they have made separate distinct statements there.

MR. STEIN: There was an election in between. I thought that was the idea of our government.

MR. KLASHMAN: I am merely indicating that our

Department position at this point in time is as I have stated. And you know that this is a Democracy and you certainly will have, you know, the opportunity, if you feel it is indicated, to discuss this with them -- meet with the Assistant Secretary or Secretary if necessary.

MR. STEIN: Mr. Healy.

MR. HEALY: Mr. Chairman, just a side comment really on what has been just said. We respect and recognize what your policy is. We just don't agree that it is a rational one. We think that there has got to be a clear relationship between the funds available and the work to be done. It is as simple as that. We further feel that -- and this is, of course, a matter of opinion; it is a point of view -- any court that we might place this matter before or that you might place it before is going to concern itself with the equities involved. Communities are all pressed with many problems that require local appropriations. We have got a history here of in excess of 10 years of Federal Government establishing the rate of progress by reason of the amount of funds it appropriates to meet the pollution control needs at the local level. The States have entered into the same thing. We are asking our Legislature to appropriate on a basis of full funding of the Federal law and the State of New Hampshire has done this. The last session it went one step beyond and compensated for the lack of adequate appropriations by reason of the prefinancing arrangement.

Now, we think that there has got to be an effort on all levels. We do not deny that the strict reading or interpretation of the Federal law does give you the authority to appeal to the courts. But we think that this is a last resort. As you have said, Mr. Chairman, it is something that should be avoided. But we ought to be directing our attention to getting the appropriations that are required and not trying to shorten time limits when it is not realistic to do so.

MR. STEIN: Are there any other comments? Mr. Peloquin.

MR. PELOQUIN: With due consideration to Mr. Klashman's comments a moment ago, I would like to reemphasize for the record that the Interstate Commission would favor an adjustment in the schedules to make them more compatible if this can be achieved. However, we, the Commission, also recognize the facts of life here -- the possibility that Maine might have to extend their schedule because of financial problems and the fact that the Federal dollars are not forthcoming to assist. And I think that we are only deceiving the public if we set dates which we know at the time we set cannot be met. And I am in favor of a realistic date and realistic schedule that we have some hope of achieving.

And for this reason I would -- I have suggested or requested, if you want to put it this way, that we defer any action on the setting of dates until the final actions by the Federal Congress and by the State Legislatures; and this probably should not be more than six months hence; and that we hold another meeting to reconsider this and set dates which we feel can be met. The people can develop confidence in the schedules and know that these will be met.

MR. STEIN: I am not sure I understood you, Mr. Peloquin. You mean to say that even the dates that both States came in with should be put off for six months?

MR. PELOQUIN: Not necessarily put off, but the status quo be maintained at the present time until the financial and legislative picture is clarified.

MR. STEIN: The trouble with the status quo, as I see it, is that we had a conference in September 1962, February 1963 and unless something escapes me I don't know what has been done to this river. And I have been here several years ago and seen it before and then I rode up alongside it yesterday. Now when we talk about maintaining the status quo, we are talking about the state of that river out there. But this may be a point of view. I would like to associate myself with a point in Mr. Palazzi's remarks because I don't think people realize how far we have moved.

By the way, when we met in Portland several years ago those places at the top of the table were vacant or available. I don't know that the State or the Interstate agency chose to sit at them. But this full table is where we have come since then. The question now -- and you can listen to the discussion -- is not whether the job has to be done but: 1) when it is going to be done? and 2) how it is going to be paid for?

The position of the State agencies has been that these two items are inextricably woven together and you can't consider one without the other.

The issue that we had back in 1962 and 1963 was: 1) whether we were going to do it, and 2) how much we were going to do.

Now, while these problems might seem formidable today, I think we are over the biggest hurdle, and the biggest hurdle is that we are agreed pretty generally what has to be done. I believe we have a much closer working relationship with the State and Interstate agency.

I am also aware of the fact that we have a tolerance or a better understanding of the kind of pressures that we both have and we have had experience in working these out on many, many river basins. Now, I will say this: that after that first session of the Androscoggin conference, possibly there was nowhere else to go, but Federal-State relationships went up, up, and we have had a very effective Federal-State program in New England. I think we just had to take that first plunge.

As I look at the first Androscoggin conference this was the breakthrough that we had in setting up pretty close Federal-State relationships.

I also will say that in the ensuing years, while there may be many differences and you may hear them here, we have always been able to work out an accommodation and move forward to the next step, more or less, together.

MR. KLASHMAN: Excuse me.

(Off the record statement.)

MR. STEIN: Mr. MacDonald.

MR. MacDONALD: From the standpoint of Maine, as I pointed out in my prepared paper, we have fallen slightly behind. It looks as though based on Federal appropriations that are coming up that we would fall farther behind. We have three unknowns. While we would like to see this river cleaned up just as soon as possible, our inland fisheries and game, several other organizations, have programs that they would like to apply to the river. But we realize that from our standpoint as well as that of New Hampshire that we have got to wait for Federal aid in order to do it.

We would never -- I am speaking of the State now and not the Federal. I think this was brought out, but I am absolutely sure that the State agency would not get to first base in court if we went in there and with the communities stripped of the possibility of aid and tried to force them into building treatment works with their own funds. If the Federal statute was off the books completely that would be entirely different. You know, if it was going to be no aid at all that would be entirely different. While we want to see it cleaned up as soon as possible, we are not in a position to compalin about New Hampshire because we don't know where we are going ourselves. For all we know, it is going to be 1975 before we can do ours.

MR. STEIN: Mr. Palazzi.

MR. PALAZZI: Mr. Chairman, of course, you called that a conference in Portland back in 1962 or 1963 -- whenever it was. I thought it was a confrontation. However, I must say, we both mellowed and we have all mellowed some since then. And you talk about court. New Hampshire has taken both cities and industries to court. In fact, we have just closed one industry in Ashland that refused to do anything.

However, I think that this is a different situation. The communities are ready to move. I am sure industry is ready to move. The State is ready to move. The only thing we are waiting for is the Federal Government -- you!

And I think that we have done more than our share when both States have been able to convince the Legislators to prefinance some of your money -- come up with some of your money in advance.

And I still feel that, at the moment, we should sit still until we see what you are going to do.

MR. STEIN: Okay. Now, let me just make two points for you to consider on this:

One is the national program. I think in that one we have a problem not only with New Hampshire but one of the toughest problems we have is with some national industries which have plants all over the country, and they tell us exactly what I think parallels what Mr. Healy indicated or you indicated in your paper. You want us to move in Washington, Wisconsin, Maine and Pennsylvania. You can't ask us to do this all over the country. The Federal Government never makes priority of going from one to another. I am not sure they will do it, as Mr. Klashman said, on the river.

The other problem that we have nationally is in dealing with a city such as say Chicago, Detroit, or Cleveland for the Federal grant, the Federal grant comes out so small it is 1 or 2 percent of the cost. When the argument is made for Federal money, the indication is that the Federal money won't amount to that much and they have to move.

So I think you have to recognize, in the formation of the policies in the Government, the implications of this relating to industries which are nationwide in scope which make the same argument, or these big municipalities will just get a real small fraction of the Federal grant. We are asking them to go forward. And I just put that out not as an answer to you but as an indication of what you would have to take into account if you were the Federal Government forming an approach or policy to this. Are there any other comments or questions? Mr. Klashman.

MR. KLASHMAN: Mr. Stein, I have no other comments, except, since Mr. Baechle's name came up, I wonder, Mr. Baechle, if we could ask you if the Brown Paper Company plans to make a statement.

MR. BAECHLE: No.

MR. STEIN: You do not? Are there any others? Does the town of Rumford have a statement that it wishes to make. Town of Rumford?

PHILIP J. MERCIER, CHAIRMAN,
BOARD OF SELECTMEN, RUMFORD, MAINE

Mr. Chairman, my name is Philip J. Mercier, Chairman of the Board of Selectmen, town of Rumford, Maine. With your permission, I would like to submit a copy of a statement which was submitted to the Maine Water and Air Environmental Improvement Commission, now, the Maine Environmental Improvement Commission, at a hearing called by the Commission on March 5, 1969. The hearing was called to discuss proposed time schedules for the cleanup of the Androscoggin River and its tributaries which are located within the boundaries of the State of Maine. Now, I have already made a copy of this available to Mr. Hemenway for your use.

Philip Mercier

In the statement you will find mentioned a meeting scheduled to be held on March 25, 1969, which was actually held on March 26, 1969, at which time the following people were present.

And with your permission, Mr. Chairman, I will dispense with reading these names as it has no bearing on this conference.

This meeting was held primarily to discuss setting up a regional planning agency. As a result of this meeting, the town of Rumford has become a member of the Androscoggin Valley Regional Planning Commission and the Boards of Selectmen from the towns of Rumford and Mexico have met on several occasions to discuss the possibility of setting up the necessary administrative unit to undertake joint construction of sewerage treatment facilities. The last meeting was called by the Androscoggin Valley Regional Planning Commission and was held at Mexico, Maine, on Tuesday, October 7, 1969.

I would also wish to point out that the town of Rumford, Maine, has already purchased three treatment plant sites which were recommended by members of a local sewer study committee.

I have been authorized to submit this information

Philip Mercier

to you as Chairman of this conference in behalf of the town of Rumford. Our Board believes that the information indicates the complexity of the problems faced by communities on the Androscoggin River which must comply with orders to clean up local pollution. The members of the Board realize that it will be necessary for all levels of government to cooperate fully with one another to solve this pollution problem, and the local governments of Rumford and Mexico are presently hard at work trying to resolve technical and organizational problems. The major problem is funding of the facilities, however, and it seems to us that it now becomes necessary for the State and Federal Governments to provide maximum funding to the local units for construction of treatment facilities.

As municipal officials, we are of the opinion that maximum State and Federal funds must be made available to enable local units along the State of Maine section of the Androscoggin watershed to discontinue polluting the river within the existing statutory time schedules. Maximum funding must be provided as well as maximum enforcement.

As you perhaps know, Mr. Chairman, the State of Maine has established a time schedule for its municipalities to comply with cleanup of pollution on the Androscoggin River.

Philip Mercier

This schedule reads as follows:

"1. Time Schedule. A municipality, sewer district, person, firm, corporation or other legal entity shall not be deemed in violation of any classification or reclassification adopted on or after January 1, 1967, at any time or times prior to October 1, 1976, with respect to these classifications if by such time or times he or it with respect to any project necessary to achieve compliance with the applicable classification shall have completed all steps required to then be completed by the schedules set forth in this subchapter.

A. Preliminary plans and engineers' estimates shall be completed and submitted to the Water and Air Environmental Improvement Commission on or before October 1, 1969.

B. Arrangements for administration and financing shall be completed on or before October 1, 1971. This period, in the case of municipalities, shall encompass all financing including obtaining of State and Federal grants.

C. Detailed engineering and final plan formulation shall be completed on or before October 1, 1972.

D. Review of final plans with the Water and Air Environmental Improvement Commission shall be completed and construction commenced on or before October 1, 1973.

E. Construction shall be completed and in operation on or before October 1, 1976."

The town of Rumford has met all requirements to date; namely, submission of preliminary plans as required in "A" of the time schedule. The town is now working on requirements "B" and "C." If all goes well and State and Federal funds are available, the town plans to comply with the remainder of the time schedule in every respect. Thank you, Mr. Chairman.

MR. STEIN: Thank you.

(The above-mentioned document at the beginning of Mr. Mercier's statement follows.)

"TO: WATER AND AIR ENVIRONMENTAL IMPROVEMENT COMMISSION OF THE STATE OF MAINE

FROM: BOARD OF SELECTMEN, TOWN OF RUMFORD, MAINE

SUBJECT: STATEMENT OF FACTS PRESENTED AT HEARING HELD MARCH 5, 1969

"The following facts were agreed upon by the present Board of Selectmen with regard to future treatment of sewage in the Town of Rumford, Maine:

"Preliminary Planning and Engineer's estimates: In 1961 the Town of Rumford, with a grant obtained from the Maine Water Improvement Commission and a planning advance from the Federal Housing and Home Finance Agency, completed preliminary plans for treatment facilities. The report entitled "Preliminary Report Sewerage and Sewage Treatment Facilities Town of Rumford, Maine," was prepared by the firm of James S. Minges and Associates of Farmington, Connecticut. A copy of this report is on file with the Commission.

In 1962 a Sewer Study Committee was appointed by the Board of Selectmen to further study all aspects of the sewerage treatment problem in the town of Rumford. In 1966 the 1961 preliminary report was up-dated by the firm of Whitman and Howard, Inc. of 89 Broad Street, Boston, Massachusetts. This updated report is entitled "Report on Pollution Abatement, Town of Rumford, Maine." In 1968 the same firm prepared a report entitled "Report on Pollution Abatement, Town of Rumford, Maine, Part II, Industrial." The latter report was financed, wholly, by the Oxford Paper Company.

Administration and Financing: The reports mentioned above contain suggestions for financing the proposed sewage treatment facilities. To date no firm plans have been formulated for the administration and financing of the proposed plants. The Board of Selectmen and Rumford Sewer Study Committee have met on several occasions with the Town of Mexico Sewer District to discuss the possibility of combining the administration and financing of sewerage treatment facilities for the two towns. This was done for two reasons:

1. To obtain the maximum Federal and State financial assistance for the capital cost of the treatment facilities, and
2. To reduce the annual operating cost of the facilities serving the two towns.

A meeting for the purpose of further exploring the method of financing and administering sewage treatment facilities has been scheduled for March 25, 1969 with representatives from the Department of Housing and Urban Development, the State Planning Office, and the Water and Air Environmental Improvement Commission.

Final Plans: In April 1968 the Town of Rumford submitted an application to the Department of Housing and Urban Development for an advance of $56,500.00 for final plans. On May 10, 1968 the Town Manager received a letter from William J. Davis, Assistant Regional Administrator Metropolitan Development which read as follows:

> "Subject: Project No. P-Me-3206
> Sewerage Facilities
>
> The town's application for a planning advance is not acceptable and is being returned herewith. The

> planning requirements are not met since there is no record of areawide planning for the urban area, which consists of the towns of Mexico and Rumford. There is no evidence either of local comprehensive planning. Until these requirements are met, the town is not eligible for an advance."

On October 31, 1968, a letter was written to Mr. Charles B. Sonneborn, of the Department of Housing and Urban Development in which the town of Rumford sought advice as to how the town could meet the requirements mentioned in Mr. William J. Davis' letter. At the scheduled meeting to be held on March 25, 1969, the Board hopes to discuss this subject. Since the town of Rumford is still trying to determine what to do about combining with the town of Mexico for construction and operation of treatment facilities, it has not made any current plans to obtain final plans. The Selectmen of Rumford are also trying to establish an area planning agency in combination with neighboring communities to expedite, if possible, future applications for Federal and State funds for the sewage treatment plants.

Construction Commences: The construction phase cannot be projected at this moment pending out-come of progress on final plans and organization of necessary planning agencies, administrative agencies and final financing proposals. It can be stated, however, that the Board of Selectmen feels that Federal and State financial aid will be needed if the town is to undertake construction of treatment facilities. If this aid is not available, the community will find it next to impossible, if not impossible, to obtain local funds to construct the necessary treatment facilities.

In conclusion we wish to state that the completion date at this point in time cannot be forecast because of the many unanswered questions for the items mentioned above. As municipal officers of the Town of Rumford, we feel that we have an obligation as well as a duty to meet the Law of the State of Maine which presently calls for an October 1, 1976, completion date. We must caution, however, that the voters and taxpayers in the community will have to authorize financing and construction of the required treatment facilities, and we firmly hope that the necessary authorization will not be delayed.

MR. STEIN: What were your treatment facilities achieved at Rumford, do you know?

MR. MERCIER: Beg your pardon?

MR. STEIN: Are you going to have secondary treatment there when you are through?

MR. MERCIER: Yes.

MR. STEIN: Do you know what kind of a removal? Are you going to have BOD?

MR. MERCIER: I can't answer that. If you would permit me I would refer you to our Town Manager who would enlighten you.

MR. STEIN: Are you going to have disinfection in the effluent?

MR. MERCIER: Again, I have not worked with the Sewer Study Committee or the Sewer Study Commission. The Manager has and he can answer these questions for you.

MR. STEIN: Just wait. There may be some other comments or questions. Let the manager come up and see if he can answer these two.

LEO J. MORENCY, TOWN MANAGER,
MUNICIPAL BUILDING, RUMFORD, MAINE

MR. MORENCY: Mr. Chairman, my name is Leo Morency, Town Manager of Rumford. In answer to your two questions, we will have removal in compliance with State statutes for a Class -- well, secondary will be Class "B," which I believe is about 90 percent removal.

MR. STEIN: And how about your disinfection of the effluents?

MR. MORENCY: Also disinfection.

MR. STEIN: Year round?

MR. MORENCY: The final technology on this has not been worked out. We hope -- we have a preliminary plan only. We do not have a final plan, and I can't really tell you on the degree of disinfection. I suspect it will be year round.

MR. STEIN: I am not talking about the degree, but it is a question of when, how and where you are going to do it.

MR. MORENCY: All right. Maybe I could probably defer that to Mr. MacDonald because we have had discussions with him on that matter and we haven't arrived at a final decision on that.

MR. MacDONALD: We have never divided the chlorination into on and off periods of the year.

MR. STEIN: Thank you.

MR. MORENCY: I would just like to elaborate a little further on our statement, if I could, Mr. Chairman. In speaking as a local official we have had State and Federal officials talking in terms of inflation. Perhaps this is an exercise in inflation rather than cleanup of the Androscoggin this morning, because we have all talked pretty much the same thing. We have talked about inflation of cost of construction of plants. There is another inflationary pressure that we are being faced with in a local situation and that is the inflation of the cost of money.

Most of us on a local basis will have to borrow money to meet our share of the construction costs of these plants. Now, I don't have to tell you that in 1961 we could probably borrow money for something like 2½ to 3 percent. And we are very fortunate if we have a Double "A" on Moody this time to pick up money at six percent. So you expand this over a 30-year period possibly on the life of the facility, and you have got a tremendous cost here that the community has got to face over a long period of time. And this, again, gives us some real problems. I am afraid bond issues are going to be difficult.

MR. STEIN: Do you put out GOBs?*

MR. MORENCY: Again, we put out -- we hopefully will put out GOBs. But it is possible we will go into a revenue -- I don't have to tell you we are going to be faced again with greater costs, but hopefully we can do a GO job.

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* General Obligation Bonds

MR. STEIN: Would you mind spelling your name before you --

MR. MORENCY: M-O-R-E-N-C-Y.

MR. STEIN: Mr. Healy.

MR. HEALY: Do you also intend to take care of storm-water overflows along with the treatment of your dry river flows?

MR. MORENCY: At the moment we have some combinations, and I don't know as we can separate them all. We have been working towards separation in recent years. We will have some storm water involved. We don't intend to take care of it.

MR. HEALY: That will be a separate problem for later resolution.

MR. MORENCY: If we are required to treat storm water I would think that we would have to solve that at a separate -- that will be a separate problem, sir.

MR. PELOQUIN: Mr. Morency, do your plans call for bypassing severe storms whenever your plant's capacity would be exceeded because of the storm?

MR. MORENCY: Again, we haven't developed our plan to that point. I am hopeful, very honestly, I think we are all hopeful that we will take care of this and bypass if necessary. But only the engineering will give us this information.

MR. STEIN: Any further comments or questions?

MR. PALAZZI: Did I miss the total cost of the project?

MR. MORENCY: Well, in our particular case our preliminaries indicated a cost of something, for the town of Rumford, $1/2 million as its share at that time. That was based on 30-30. Thirty State and thirty Federal. So we were talking a project of about $2 -- you know, somewhere in the order of $2 or $3 million. If we talk about some other factors involved here we can go as high as $8 or $9 million today.

MR. HEALY: Just one more question, Mr. Morency, does this include treatment of the industrial waste problem?

MR. MORENCY: We are working again -- again we are trying to work out some information on that and hopefully we can include treatment of our industrial waste.

MR. HEALY: This is your objective?

MR. MORENCY: This is our objective.

MR. STEIN: You have a mill there too, don't you?

MR. MORENCY: That is correct.

MR. STEIN: And are they joining up with you in the present plan?

MR. MORENCY: We are working jointly with them and we are hopeful we might be able to work out plans that we can jointly use.

However, our problem along the rivers here, as you perhaps know, is that we don't have concentrations of population; we have pockets of population. And we have not one plant to construct but possibly three or four.

MR. STEIN: I recognize that, but this is not an unmixed blessing. In fact, because of that very condition the Androscoggin River probably has more potential recreational area and could be as beautiful as any river in the county because you don't have the steady stream of population down one side and then up the other. In other words, you have what the planners now are finally calling "open space." This is what people like to see. Let me tell you of an experience. This can be taken out of the record, if you like. But a couple of years ago, we were going down through this open space. My wife and I were in Rumford and I tried to sell her on the river. But after buying something at a local supermarket she made me head for the seacoast as fast as I could get in the car because of the bad odor in the town. Now, just look at this. I say this on the basis of personal experience. I hadn't come up here to look at pollution control or discuss it. But I believe you have a tremendous potential on this river because of your open space. And it can be very attractive to people coming in.

MR. MORENCY: I couldn't agree with you more. Actually we are all cognizant of this and this is the reason why we are not opposed -- certainly none here at least. I find most of the communities around here are certainly not opposed to cleaning up the Androscoggin. We all recognize its potential. We recognize it particularly north of -- rather west of Rumford. We recognize this. We also might -- I might say, you might be interested in this, Mr. Chairman, perhaps at the time you hit Rumford we had an old open dump that was burning and that perhaps you got the stench from there. We have since cleaned that up. I would like to invite you back to see that situation.

MR. STEIN: I am familiar enough with pollution smells to have a pretty good idea where this was coming from, and it wasn't the dump.

MR. MacDONALD: Are there any other entities from Maine that wish to make a statement?

(No response.)

MR. MacDONALD: I guess not, Mr. Chairman.

MR. STEIN: Thank you. Mr. Healy?

MR. PALAZZI: I would like to call on Mr. John F. Dennis for the city of Berlin from Metcalf and Eddy. Are you speaking for the city of Berlin, Mr. Dennis?

JOHN F. DENNIS, PROJECT ENGINEER,
METCALF AND EDDY, INC., BOSTON, MASSACHUSETTS

MR. DENNIS: Mr. Chairman, my name is John Dennis. I work for Metcalf and Eddy, water consulting engineers on sewage for the city of Berlin and the town of Gorham. I am reading a statement prepared by the city of Berlin for presentation at this conference.

The city of Berlin is wholeheartedly in favor of pollution control and of clean streams. We approve the "C" classification of the Androscoggin River which has been chosen by the New Hampshire Water Supply and Pollution Control Commission.

John F. Dennis

Berlin is not in favor of nor does it have the financial resources to provide treatment beyond that required to keep the Androscoggin River in a "C" condition. The State and Federal agencies decree a higher degree of secondary wastewater treatment than is required to assure "C" conditions in the Androscoggin River for the next 20 years, and if the Federal and State Governments contribute 90 percent of the cost as authorized by the State and Federal Legislatures for the added construction, the city of Berlin will raise 10 percent of the added construction cost for the higher degree of treatment.

However, inasmuch as there is always more demand for financing of high priority projects by Federal, State and town monies than can be met by the revenues available, it would seem more reasonable to require only that amount of treatment which will maintain the Androscoggin River in a "C" condition for the next 20 years.

Berlin and Gorham have joined together to study and report on sewerage facilities required to raise the quality of the Androscoggin River to a "C" condition for a 20-year period. The Brown Company has been deeply involved in this study.

John F. Dennis

Presently, the State of New Hampshire Water Supply and Pollution Control Commission is reviewing the draft of a report by our consulting engineers on the proposed sewerage and wastewater treatment facilities for Berlin, New Hampshire, relative to pollution control of the Androscoggin River. Definite decisions must be made by the State Water Pollution Control Commission on their review of this report so that the city may determine the cost of this major undertaking and plan for it accordingly.

In summary, Berlin is in favor of having a clean Androscoggin River and of providing adequate collection and wastewater treatment systems which will keep the Androscoggin River in a "C" condition for the next 20 years. It is our opinion as part of the local group of people who are mainly affected by any degradation of the Androscoggin River and who are the main beneficiaries of any improvements in the Androscoggin River that additional treatment beyond that required to provide a "C" condition in the stream for the next 20 years is superfluous and unnecessarily expensive. The people of Berlin will find it very difficult to finance the minimum required sewer system and wastewater facilities unless the State and Federal Legislatures appropriate the monies which they have authorized for construction grants for wastewater pollution control. Thank you.

MR. STEIN: Thank you, Mr. Dennis. Any comments or questions? What kind of treatment are you going to have to put in for the "C"?

MR. DENNIS: Well, that is the question that is holding it up right now. We were going to put in treatment of about 70 percent total to maintain the "C" condition.

MR. STEIN: What would you need to maintain at a "B," 90?

MR. DENNIS: Yes.

MR. STEIN: In this day and age you are proposing a 70 percent treatment?

MR. DENNIS: There is a lot of money involved.

MR. STEIN: I know there is a lot of money involved. And what kind of -- are you proposing disinfection too?

MR. DENNIS: Oh, yes.

MR. STEIN: What do you think of that 70 percent treatment?

MR. KLASHMAN: Well, it is not acceptable to us.

MR. STEIN: It isn't?

MR. KLASHMAN: No, it is not. We have been talking about that not being acceptable to us for the last -- since I arrived here in 1966. And one of the things I would like to raise is, what kind of a cost are you talking about?

MR. DENNIS: Quite high, depending on what degree of treatment is required. The cost would run between $30 million and $50 million.

MR. STEIN: Maybe I can help you with this because of a new proposed regulation in the Federal Register that indicated that you were not going to get a grant unless you have 85 percent removal of BOD. If you are talking in terms of relying on a Federal grant, this is going to be a national policy. It bothers me how we are going to handle this. Now, Mr. Klashman, go ahead.

MR. KLASHMAN: Well, the thing that I find incomprehensible is that you are talking about a cost of $50 million, as I understand it, for the town of Berlin.

MR. DENNIS: This is total.

MR. KLASHMAN: Yes. The town of Gorham and the Brown Paper Company. How many tons of production do we have from the Brown Paper Company?

MR. DENNIS: That I can't tell you right off.

MR. KLASHMAN: How much PE do we have?

MR. DENNIS: We are talking about total flow through the plant of 59 MGD.

MR. KLASHMAN: What type of a PE?

MR. DENNIS: Pardon?

MR. KLASHMAN: What type of a population equivalent? The reason I raise these questions is that other parts of the Region have much more difficult problems than you have here. For example, the entire Fitchburg area, the cost doesn't even approach $50 million and this is inconceivable to me. I am not questioning the firm of Metcalf and Eddy; I am well aware of --

MR. DENNIS: This includes everything. This includes sprays, separation of sewers and the interceptor system.

MR. KLASHMAN: This is incomprehensible to me. Everybody is talking about doing things, you know. First we are talking about the fact that we have got to build the plant. Now the Brown Company has got to do a job in building treatment to treat their waste. Either they do it themselves or they do it with the municipality. When you start talking about $50 million and throwing in some combined sewer waste, you know, to elevate the cost to $50 million, what is it going to cost to take care of Brown Company alone?

MR. DENNIS: Well, the Brown Company is split up, it is proportioned between the two.

MR. KLASHMAN: What is it going to cost to take care of Brown Company waste?

MR. DENNIS: As a separate entity I don't know.

MR. KLASHMAN: What is their share?

MR. DENNIS: It depends on how it is apportioned. This is all in the report that the State has. However, in your question --

MR. STEIN: The State has the report. Don't you know what is in it?

MR. DENNIS: I don't have it right here now.

MR. STEIN: You don't recall what is in it. You don't recall an item such as the apportionment between the company and the city.

MR. DENNIS: Well, it depends on how it is done, how it is apportioned -- on population or on tax business or that sort of thing.

MR. STEIN: Before we go on let me again say that I believe it is fair to say that there has been a press release by our Department this week on the 85 percent removal and secondary requirement, and I have every belief that this is going to be sustained. Of course, we have to get comments on this in 30 days in the Federal Register, but I don't think this was put in lightly. The difficulty -- and here is the issue I am going to put to you -- if you are going to depend on Federal aid and if a city is going ahead with a 70 percent BOD removal with an industry, the way I look at this, the likelihood is you are not going to be eligible for Federal aid.

Before we go too far down that line I suggest we look at this very, very realistically to see how we are or where we are coming out, because I don't see that a confrontation in that area is going to be productive at all.

MR. KLASHMAN: I would like to raise some other question here. It seems to me that the conferees and the Secretary are entitled to know exactly what we are talking about. Now, if you have a report and wish to submit it, this is fine. But I would like to know what the waste loads are from the industry and if you are not prepared to give it to us I would like to suggest that we ask for it in either -- perhaps we ought to ask for it from the Brown Company. The law provides if we don't have the information that the conferees may, under the law, ask for a report. And if we are not going to get this, as far as I am concerned, I would just as soon request the conferees to invoke this. I would like to know what the facts are.

MR. DENNIS: You are going to get it, sir. This was discussed with Mr. Healy's office who said that the required degree of treatment was 85 percent, and which would be straight activated sludge, secondary treatment.

MR. KLASHMAN: What concerns me is your talking about these figures of $50 million.

MR. DENNIS: Let me finish.

MR. KLASHMAN: I am sorry.

MR. DENNIS: Because of the cost involved here we asked if it would be possible to submit this to the Government -- to the FWPCA -- and let them review it and then let them make the determination. And the State said this was all right. So, therefore, we talked to the FWPCA in Boston. We are sending the copy of the reports to them for them to review the section. So you are getting a draft copy of the entire report with loads and everything else in them.

MR. KLASHMAN: Fine.

MR. DENNIS: This was done. I mean, we talked to Mr. Peterson in Boston over a month ago. This is all in process. It is going to be done.

MR. STEIN: But I think, again, I would like you to know -- we can review the reports and Mr. Healy is well aware of what our Federal requirements are, if any -- it might be helpful if you could think of us as one staff. The point is if we are coming up with a requirement for 85 percent waste removal, it seems to me just to go through an exercise to review a plant that is asking for a 70 percent removal; that is just going to come up with one result, I think. And I just put this out for the State, the industry and the cities involved.

If you are thinking in terms of a Federal grant I would strongly urge that you come up with a minimum of 85 percent removal. If you are not -- and there are ways under the law by which you don't have to -- if you don't want to do this and you think you can comply with the law by not doing it, then I don't want to say that you can't. But you have to figure that you are not going to get any Federal grant funds. That is clear. As I understood your statement and your program, the city of Berlin and the industry's program was predicated on a Federal grant.

MR. DENNIS: Yes.

MR. STEIN: Well, if that is the case I think we just have to, right at the beginning, start facing 85 percent removal and not spend time and money of the State nor the Federal Government. And you people are on a futile exercise which won't work. We must have that as a rock bottom minimum. You know I haven't been very certain and I generally am attentive of the things that I say, but in order to save time and money, I would like to put this out so we know where we are going.

MR. KLASHMAN: I would like to get something clarified in my own mind. Are you representing the Brown Paper Company?

MR. DENNIS: No.

MR. KLASHMAN: You are not.

MR. DENNIS: We are the city of Berlin and the town of Gorham.

MR. KLASHMAN: Well then, I am not quite clear. How does the figures for the Brown Paper Company come into your report?

MR. DENNIS: Well, because they are included as a part of it. As far as the city's system is concerned it is going into the system with the town and they furnished all their data to be included.

MR. KLASHMAN: This data is included in the report?

MR. DENNIS: Everything is in the report including apportionment. Everything is in there. It is complete. The reason it came up, actually the report covers it both ways -- the report covers 85 percent treatment. It has it all set up and laid out for two types of systems. Both of them are there. We did them both. But in the studies that we did it was determined that you could maintain the "C" classification with less than that, which is the reason the question came up.

MR. KLASHMAN: Thank you very much.

MR. PELOQUIN: Mr. Chairman, I would like a clarification on one point. I received a letter from Commissioner Dominick on September 17 transmitting the subject that we are discussing now -- the definition of the secondary treatment and the 85 percent requirement. And in his letter the Commissioner states and I quote: "The proposed revisions will ultimately be published in the Federal Register and comments will be encouraged in accordance with the usual formal procedure."

As of 11 o'clock yesterday morning our consultant, the Commission's Consultant, advised me that this proposal had not yet been introduced in the Federal Register and I think in your comments you more or less indicated that it had. And I would like clarification. Has it or has it not?

MR. STEIN: That is what I walked off to check. I do know a press release came out which was -- and I don't have a copy of the press release here -- which was carried in the nationwide press over the weekend, because I saw newspaper stories on it.

As a matter of fact, several reporters called me at home on this. So it has been announced. The Federal Register comes out on Monday and it very likely could have happened that the press release came out, but the Federal Register will be out either today or tomorrow. But I think this is a mechanical operation, Mr. Peloquin. The information is out and any delay of publication in the Federal Register is just the mechanics of getting it in the Register and the 30 days will run from there. Now, we may be able to check this during noontime and call Washington and see if it is in today's Register. As a matter of fact, I am happy you brought this up because I am not certain. Let me put it this way. I haven't seen it in the Federal Register. When I don't see it in the Federal Register I don't make any statements of it until I see it with my own eyes and I haven't seen it.

MR. PELOQUIN: One more point. You say the proponents and opponents would have 30 days. I thought it indicated 60 days.

MR. STEIN: I am not sure which.

MR. PELOQUIN: I would like clarification on this.

MR. STEIN: That may be a 60-day -- if they wanted to do it, a 60-day extension on that.

MR. PELOQUIN: The fact that it has been published also does not provide for the actual acceptance until after the termination of either the 30-day or 60-day period, it can be revised from that published initially.

MR. STEIN: Oh, certainly it can be revised from what is published. Are there any other comments or questions? Mr. Healy.

MR. HEALY: Mr. Chairman, my understanding of the status of the proposed policy is the same as Mr. Peloquin's; namely, that we hadn't recognized or realized that it had yet reached the actual publication stage. We were invited along with all other States to comment on this proposed change, since the current requirement of

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Federal Standards as regards the extension of grants is primary treatment. And up to now we have been able to live with this quite successfully. In fact, just a year ago our State Legislature established a policy with regard to this matter -- well, it is 2 years ago, really -- it is 1967 -- the matter of achieving the objectives of cleaner water. And it provides for:

First: Primary treatment at all sources of pollution throughout the State is the initial goal, since we feel that it is desirable to bring all sources under some form of treatment rather than to have no treatment, and perhaps a high degree of treatment at other locations. We feel that that is a more balanced approach.

Second: We require the installation of secondary treatment whenever it is necessary to meet the classification.

The third objective is to establish secondary or higher levels of treatment at all of our sources of pollution, in order to reach a level of quality in our streams which is as high as reasonable.

Now, this we feel, in the long range, satisfied the Federal objective of secondary treatment. You have said here now that unless the city of Berlin, servicing the Brown Company, moves toward secondary treatment, at the outset, that no grants can be assigned to the project or projects. Is this correct?

MR. STEIN: No. That is if the regulation goes. Now I am asking you.

MR. HEALY: In response to this, Mr. Chairman, would it be possible -- incidentially, the engineering report has not yet been accepted. It is under review and we echo the same sentiments that you did earlier that $50 million is too high a figure. But if it developed that because of finances here and other locations throughout the State it might be helpful to or desirable to establish primary treatment first, followed later by secondary treatment, would this not then make it possible for the city to enjoy Federal grants?

MR. KLASHMAN: Mr. Healy, the question that you raise is one obviously that has come to us, and all I can say to you is that this has not been completely worked out. I think there is a possibility that if you have phased construction where you built a primary plant, that the grant might be made conditioned upon your going into the secondary. But when we are talking about the timing, it would be a question really of probably starting the secondary almost as soon as you are finished with the primary. I mean, it wouldn't be a question of building primary this year and then waiting 10 years to build the secondary. I don't think this has been worked out. But it is my opinion that if the phasing were such where you were talking about a delay of a couple of years, it is possible, perhaps, to hold up the payments on the primary until the secondary plant was under construction.

MR. STEIN: Let me try to answer this. Mr. Healy, we have obviously had the question of phase construction before. I don't know, really know, Mr. Klashman, how we are going to do it. I have generally been sympathetic to that and I find surprisingly enough that the engineers in our organization have been the ones who are implacably opposed to this kind of thing. However, that has not been completely resolved.

However, what we are not having here from the city of Berlin is a proposal for phase construction. They say that they have to have the Class "C," presumably 70 percent, which this regulation does not regard as secondary treatment, for the next 20 years.

I think we have a very different question here than the position you take -- and this should be recognized --

and the position you make. This may be a little ultra vires to the conference, but I would suggest that the view that you just expressed should be made known in our comments and the regulation, and do it clearly, because I think that that is something which very definitely should have consideration.

MR. HEALY: Thank you, Mr. Chairman. Just to pursue it a little bit further, I think that you have a greater assurance here in our case than you might encounter in other situations; namely, you have the assurance of the General Court, itself. And I would like to read it into the record because this is a -- it is not the Water Supply and Pollution Control Commission that is offering this advice to you; it is a guarantee on the part of the Legislature that it intends seriously to pursue this policy. It reads as follows:

"It is hereby declared" -- this is part of RSA 149 Section 3:

"It is hereby declared, as a matter of legislative intent, that the Water Supply and Pollution Control Commission in the enforcement of this and other legislation dealing with classification of the surface waters of the State shall adhere to the following policies:

"I) Insofar as practicable, the initial objective of the control program will be to obtain the installation of primary treatment, with adequate disinfection where sewage discharges are involved, for all discharges of sewage and industrial wastes.

"II) The second objective will be to require the installation of secondary treatment whenever such additional treatment is necessary to protect the uses assigned to the particular stream classification.

"III) The third objective, after all stream classification requirements throughout the State have been satisfied, will be to continue the program of pollution abatement by installing other forms of treatment desirable to maintain all surface waters of the State in as clean a condition as possible, consistent with available assistance funds and technological developments.

"IV) Until such time as appropriate methodology and reasonable levels of financial assistance are made available, municipalities with combined sewer system shall not be required to provide treatment facilities with capacity greater than that necessary to handle anticipated peak dry weather flows."

This, as I say, was established in 1967; it is a very clear policy. We think it provides for orderly progress towards the very same objective that you are trying to reach -- secondary treatment or even higher, tertiary treatment if it is necessary.

To do this we need your funds. We may at times have to use the device of primary treatment as one initial stage, perhaps secondary as a followup. Not perhaps; definitely as a followup. And this should not frustrate the community nor the State in obtaining Federal funds. Unless we have Federal funds the whole program will collapse. This is very sure. I don't think that it requires any demonstration to convince you of it.

Now, the other side of the coin is how solid is your proposal in terms of engineering necessity to move forward with secondary treatment at all locations at one time? It has some benefits to be sure, and it could be worked if you had unlimited funds available. There would be no question about it, we would agree with you 100 percent because we would save dollars by doing so. You have GAO examining this whole area of secondary treatment as a minimum effort, and we work with them, and also your own people working with them are looking at the -- very carefully looking at a balanced form of treatment, primary here, secondary there, etc., depending upon the stream requirements, the amount of pollution being discharged and the classification uses which are involved.

I heartily subscribe to what you said a moment ago that this thing should be placed before -- this problem should be placed before the Secretary and it has been. Incidentally, we have commented directly in the very fashion that I am outlining now, that New Hampshire statute does provide as follows -- just as I have read to you -- and that we hope that we can continue in this fashion.

We don't want any artificial barriers to obtaining Federal funds and this certainly is an artificial barrier, when you speak of going directly to secondary, at the outset. Thank you.

MR. STEIN: Thank you. Any comments or questions? You know, I think philosophically there may be agreement. However, there is one big hurdle that you have to overcome and I see it in the reading of the statement from New Hampshire, which is obviously very carefully thought out. I think the thinking, at least in the Federal agency, is for a greater degree of commitment, at the outset, from the community, without just a reliance on the State agency, that sometime in the future it may be done. Now, I think approached properly by both sides we may consider that a detailed rather than a fundamental philosophic difference remains to be resolved.

MR. HEALY: That is fine, Mr. Chairman. If I didn't say it I should have. We notified the engineer that the 70 percent level of treatment would not be acceptable; there must be an 85 percent removal of BOD achieved before the project could be endorsed by us.

MR. STEIN: Right. So I think we are on the road to an achievement here. I don't want to prolong this because we are going to have to break for lunch. But looking at your schedule and dealing with this equitably, even the ones you put in, you had complete construction in October 1975 for Berlin and the Brown Company, and April 1976 completion of construction for Gorham and the Brown Company. Now, I think wherever you put the schedules they generally have a tendency to have a single termination date. We all know in practice it doesn't work out that way. But, again, unless someone can figure out a way of doing something, we are stuck with these staggered dates. As the program develops and the problems come up later I think that happens in almost all programs. And, by the way, I say this with the State program as no criticism at all because we all do that. With Maine's program, with New Hampshire's program, with the Federal program, with almost any State program -- we tend in a river basin to come out with all things being completed on one date. We know that this doesn't happen. The question again is whether we should really make a big issue of that at the beginning. I am not sure we should.

Let's try to get through lunch and get back at 1 o'clock. We will stand recessed for an hour.

(Whereupon the conference recessed for lunch at 12:00 noon.)

AFTERNOON SESSION

(1:45 p.m.)

CHAIRMAN STEIN: Let's reconvene. I checked that press release about the 85 percent and the publication in the Federal Register and this might be of interest to the State people and others. As I understand it, they are going to solicit the comments from the States before they put this in the Federal Register. So that may be a little time. You still have some people from New Hampshire?

MR. PALAZZI: There is a Mr. Bob Corrigan who has asked to speak. Is he here?

MR. CORRIGAN: I haven't asked to speak.

MR. PALAZZI: No. Oh, I see. I thought he had asked to speak. I guess he declines to speak, Mr. Chairman.

MR. STEIN: Right. Anyone else?

MR. PALAZZI: We have no further speakers, Mr. Chairman. However, at this time, I would like to introduce a couple of members of the Commission who took their time to come up here -- Mr. Richard Buck, Hancock, New Hampshire, member of the New Hampshire Water Supply and Pollution Control Commission; next to him is Peter Shapiro, our Legal Counsel for the Commission; and back here is the Chairman of the New Hampshire Water Resources Board and also a member of our New Hampshire Water Supply and Pollution Control Commission, Mr. George McGee.

MR. KLASHMAN: Mr. Chairman, the Fish and Wildlife Service has asked to make a statement and due to circumstances beyond their control they were unable to get here earlier. So with your permission, I would like to call on Mr. Schrader, who represents Mr. Griffith of the Fish and Wildlife Service. Mr. Schrader.

MR. STEIN: You know, while Mr. Schrader is coming up here, I want to say that arriving up here today, after 10 years you have really transformed the road network in New Hampshire. This is great. I guess when Mr. Palazzi says, "Come all the way up here," this is relative. When one travels the great distances that I do one doesn't realize how long it takes to get from one place to another up in these mountains. But with the new roads I think this has actually been a transformation. It is a wonderful thing. Mr. Schrader.

THOMAS A. SCHRADER, ASSISTANT REGIONAL DIRECTOR,
U. S. DEPARTMENT OF THE INTERIOR, FISH AND
WILDLIFE SERVICE, BUREAU OF SPORT FISHERIES
AND WILDLIFE, BOSTON, MASSACHUSETTS

Thomas A. Schrader

I would like to praise both the roads and the scenery in my drive up here. I certainly found it a delightful trip this morning. I made this trip rather unexpectedly. Dick Griffith, the Regional Director, had planned on presenting this statement, and the statement that the copies that are handed out were made for his presentation. I will have to make just a slight editorial change when I read it. My name is Thomas Schrader. I am Assistant Regional Director of the Northeast Region of the Bureau of Sport Fisheries and Wildlife in Boston. Our Bureau, along with the Bureau of Commercial Fisheries, makes up the U. S. Fish and Wildlife Service. By agreement with the Regional Director, Russell T. Norris, Bureau of Commercial Fisheries, the statement I am presenting represents our combined views.

I am pleased to have the opportunity to express the interest of our Service in pollution control on the Androscoggin River and to explain what it could mean to the fishery resources.

You know, I am going to have my bifocals changed. I can't read this.

A recent (1967)[1] publication by the Maine

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[1] Fishery Management in the Androscoggin River

Department of Inland Fisheries and Game reminds us that the loss of Atlantic salmon run in the Androscoggin River occurred over 150 years ago. Since then, pollution (together with numerous dams) in the 120 miles of river from Berlin, New Hampshire, to the river's mouth has virtually destroyed the natural environment for all the important fish species. Consequently, no appreciable fishery of any kind is left in the mainstem of the Androscoggin River downstream from Berlin. A small run of alewives persists in the lower extremity downstream from Brunswick, Maine, its size being too small to support a commercial fishery. The former shellfish industry in Merrymeeting Bay has been destroyed by pollution from the Kennebec and Androscoggin Rivers. The fishery potential on the Androscoggin River is tremendous. The first step toward the realization of this potential is to eliminate pollution. Until this is accomplished the fishery potential will remain just that -- only a potential.

When pollution is abated to satisfactory levels, management of nonmigratory species can be undertaken on a sectional basis. As the pollution load of the river is lessened, attention can also be given to

Thamas A. Schrader

the second step toward the realization of the great potential of the Androscoggin -- the job of removing unneeded dams and constructing fish passage facilities over or around operating dams to provide unimpeded movement of anadromous fish such as Atlantic salmon, shad and alewives.

It should be abundantly clear that pollution abatement on the Androscoggin is essential for the restoration of the shellfishery, and of anadromous fish runs. It is also required for the effective management and extension of the cold-water and warm-water fish species already present in the river.

When pollution is eliminated from the mainstem of the Androscoggin River and the Little Androscoggin River, over 150 river miles will be available to fishermen and others for full public use, resulting in an immeasurable economic improvement to the whole basin.

If we ever expect to provide better and greater outdoor opportunities for our increasing number of recreationists (not a few of which are fish and wildlife enthusiasts) there is no way more direct, though not inexpensive, than to take the water-oriented route.

When the waters are clean enough to support our natural resources, they will serve all facets of the public.

Nothing is gained by delaying pollution abatement, but much can be lost by delay. The time is now, the job is big, but it can be done if all levels of government and industry will unite in one great cooperative mission -- the restoration of a clean Androscoggin River.

MR. STEIN: Any questions? Thank you, Mr. Schrader. Any questions or comment?

(No response.)

MR. STEIN: If not, thank you very much.

MR. MacDONALD: Mr. Chairman, I would like to ask Mr. Schrader what the potential is of shellfish in Merrymeeting Bay?

MR. SCHRADER: I wouldn't be able to give you any figures on it. I am not personally acquainted with the situation.

MR. MacDONALD: Thank you.

MR. STEIN: Any other comments or questions?

(No response.)

MR. STEIN: If not, thank you very much, Mr. Schrader.

MR. SCHRADER: Anybody want a copy?

MR. STEIN: We have one, thank you. Are there any other statements from the conferees?

MR. PALAZZI: I would like to clarify one point. I would like to find out what the status of the study is at the present time as far as Berlin and Groveton-Gorham, excuse me, Berlin and Gorham. What the status of the study is between the State, city and town, and the industry, and the consultants.

MR. HEALY: Mr. LaCava, can you give us that information?

MR. LaCAVA: Unfortunately, Mr. Nylander is out of the room for a moment. He is coming in. As soon as he comes in, I will have it.

MR. HEALY: We are leading up to that statement. While we are waiting for Mr. Nylander to come in -- you had better step out and get him -- the way the State views this study is that it is a joint effort by industry, or let me put industry in the secondary position, by the municipality -- to municipality and industry to resolve, if possible their problems in the field of water pollution. In other words, the municipality in each case would own and operate the facility. Industry would pay its contribution in whatever form is necessary to satisfy the obligation.

And the State would contribute its share of the cost under the State grant system. And Federal funds would be allocated to the project inasmuch as it is an effort on the part of municipalities to solve industry plus its own waste problems. This is where we stand at the moment. And I think now that you will want to hear directly from Mr. Nylander or Mr. LaCava. But prior to this I would have to also say, so far as we know, this is what industry wishes to do. We never would have embarked upon this unless industry felt that it wanted to be part of an overall solution.

MR. KLASHMAN: Mr. Healy, as far as the Brown Paper Company is concerned, I understood that the Brown Paper Company has done some work in in-house cleanup, in other words. There have been some in-house adjustments in the process that have reduced pollution, which you know, is something that is expected of any industry for their own benefit rather than for ours. However, on the waste part of it, I would like to know exactly what the Brown Paper Company's plans are.

I mean, as I understand it, they were supposed to do something back in 1967. Have they taken any steps other than just to join the community to do anything? This is something that I just don't understand. They are still dumping their raw waste, as I understand it, into the river. If this plan with the community doesn't go along are we going to then have to wait? The reason I raise this question is we had the same thing up in the St. Croix River recently where the town of Baileyvilleand the Georgia Pacific Company were talking about the same type of operation.

And then after Baileyville got already to go, got their plans and specs already to go out for contract, Georgia Pacific decided that it was more economical for them to build their own plant. So then they started, you know, taking these steps. And I would like to know, you know, just what the situation is here now. Certainly the Brown Paper Company has made some study of this. It would seem to me that we ought to know, you know, what these findings are and what their loads are, etc.

MR. STEIN: Want to respond to that?

MR. HEALY: No.

MR. STEIN: Is there somebody here from the Brown Company who wishes to comment on it?

JAMES BAECHLE, VICE-PRESIDENT,
BROWN PAPER COMPANY, NEW YORK, NEW YORK

James Baechle

MR. BAECHLE: My name is Baechle, B-A-E-C-H-L-E, and I am a Vice President of the Brown Company.

MR. STEIN: Would you mind letting us have your full name?

MR. BAECHLE: James. As I stated earlier in the meeting, my understanding of the conference was it was a Department of the Interior and a Maine-New Hampshire, New England governmental conference.

As I further explained earlier in the conference, I did not come prepared to make a statement. So you will have to forgive me if I speak extemporaneously.

Had I had an opportunity to prepare I would have been ready with a quote from President Johnson's message to Congress, some three years ago, which I can heartily endorse -- that we are certainly all for better environmental control; that it will need the cooperation of Federal, State, municipal and private parties for a new and constructive partnership.

As to the specific question just asked, I would have to point to the study that was brought up in the city of Berlin's presentation today and the questions that were raised by the Department of the Interior and the questions that were raised by the State agencies.

In other words, both the Department of the Interior and the State agency have questioned aspects of that report. That report is still under study by the Brown Company. Obviously, it is something that has been prepared with great care by very good professionals, and yet it came to conclusions that on the record both the Department of the Interior and the New Hampshire State agency have felt it necessary to question.

Consequently, I would have to -- I would have to say that we have, as the city of Berlin stated, cooperated. We are now in the process of studying the fruits of that cooperation, the same as both the Department of the Interior and the State of New Hampshire.

I do not have frankly the technical competency to comment on any real aspects of it.

MR. KLASHMAN: Mr. Baechle, as a Federal conferee, what is of concern to me is I am not sure I understand exactly what arrangements you have with the city of Berlin. Do you have a contract with them that they are going to handle your waste or is this just in the talking stage?

MR. BAECHLE: I would have to say that I do not believe there is a contract. Perhaps the city of

Berlin could correct me if I am wrong. And, again, I have to take the position that if you gentlemen would have liked me to have the answers to these questions and be prepared to make a statement I would have -- could have prepared if I had known that industry was going to be asked to speak at the conference.

MR. STEIN: Not necessarily asked. But I think the law is clear. It says "the agencies called to attend such conference may bring such persons as they desire." In addition "it shall be the responsibility of the chairman of the conference to give every person contributing to the alleged pollution or affected by it an opportunity to make a full statement of his views to the conference." The law is clear that you could have come anytime you wished.

MR. BAECHLE: I am sorry that we did not receive any notice of that from your Department.

MR. STEIN: The notice of the conference, as indicated by the law, goes to the States. But the question that I think we have here is: Does the Brown Company have a contract with the city of Berlin? You know this is a conference. I don't want to put this -- I understand the answer is in the affirmative both with

Berlin and Gorham, you have the option right now of going it alone and not joining the municipal treatment system, if you so wish.

MR. BAECHLE: Subject to the qualification that you gentlemen haven't accepted the report that the city of Berlin had prepared by Metcalf and Eddy that we cooperated in, as the city of Berlin said. You haven't accepted it either on criteria or on the basis of cost. Certainly we cooperated with the thought in mind of going along with the municipal system. But I heard at the conference today, and for the first time, that you reject the criteria that the city of Berlin prepared the report on. And that you questioned the cost that Metcalf and Eddy have cited. Subject to those qualifications, which I think we have to, to see what your position is and what the funding is and what the costs and then Federal, State and city funding are. Certainly we cooperated with the thought in mind of being part of the municipal system.

MR. STEIN: I know that Mr. Healy wants to speak. As I understood the representation of Metcalf and Eddy it came up with two alternatives -- one of 75 percent BOD reduction and one at 85. They recommended

70. Do I understand that you would join with the city, even if the requirement were 85, or if it were that you would bow out?

MR. BAECHLE: I would have to say that I am not technically capable of talking about the feasibility of the two studies. You are now talking about the technical questions involved in the study and I think I have to do the same thing that your own agency, the Department of the Interior and the State of New Hampshire, I have to say that when I understand that the State of New Hampshire and the city have agreed with the Department of the Interior, which I understand today has a change pending, then I think I have to ask my technicians to tell me what is feasible and go forward with our cooperation.

MR. STEIN: Well, okay. Before I turn it over to Mr. Healy I just had one more comment. If they submitted these plans to New Hampshire, what do you expect New Hampshire to do except comment upon the criteria and the cost of and feasibility. Why were the plans submitted in the first place, if you didn't expect these comments? That is what I think every State does when they get a set of plans.

MR. BAECHLE: I would say that in many cases the city and the State are coordinating and cooperating and I would expect that the -- that part of the comment procedure is part of the overall procedure. And that as the State wants to comment and the Department of the Interior wants to comment, I think that we have to have the opportunity to study the same report.

MR. STEIN: Mr. Healy.

MR. HEALY: Merely to clear up a couple of points, Mr. Chairman. Mr. Baechle, through no fault of his -- and I am not saying through anyone's fault -- but obviously he hasn't been associated with this matter long enough to be familiar with all of the background that has gone on. But the study wasn't undertaken without full discussions between ourselves, the Commission and the staff, the city and the industry. It would be obviously an error for us to attempt to embark on this course without a full understanding on everyone's part about the end result that we are trying to reach. This was to save dollars for everybody concerned and to provide the Commission with a municipal operation which we feel would relieve the industry of any operating responsibility. Their interest is to produce a product for sale; it is not to run treatment facilities. And the logic tells us that it is better off with the municipality. The Federal law, as you know, itself encourages this type of approach where municipalities take on the total obligation to serve industry and to discharge their own responsibilities of getting the waste under control, sewage particularly.

Now, this, as I say, was all agreed to by the company, by ourselves and city and town officials in Gorham. The report as we have heard is under question. There are aspects of it that we are not satisfied with and it is going -- there is going to have to be modifications. The other item that I think needs some comment is that the city and the industry -- both communities were notified of the hearing here today and given an opportunity to come here and make a statement.

On behalf of the Commission, having had your notice of the hearing, I extended these inviations to them and the city has made its statement. The Company notified me, I think it was Friday, that they felt that they would be here as observers and not to make any formal statement. And it is not our job or intent to force a statement on their part. But this is where we stand.

I don't want anyone to leave here with the impression that we were attempting to force industry to go along this channel; it was an agreed-upon objective. In fact, the industry I think probably more than anyone else was instrumental in selecting the consultant.

The Commission policy -- my Commission's policy is not to make that choice. It is left to the discretion of the local forces since the work will be done under their auspices. Thank you.

MR. STEIN: Other --

MR. BAECHLE: I want to thank Mr. Healy for outlining in detail and making it very clear what I thought was implicit in the conference -- that what was meant by Brown Company cooperation. And all we are asking is an opportunity to study the report, both as your Department of Interior and as your New Hampshire agency is doing, that the State of New Hampshire has very well outlined the funding questions. I don't think that we can add anything to that. But I am very glad that Mr. Healy did clarify the record. I thought his statement was excellent on that -- what cooperation there was from the Brown Company and what cooperation meant. And I don't want to -- to have the record cast any doubts on that by my statement. I simply want to say the same thing that the Department of the Interior and the State of New Hampshire has said -- that we have to study the report. I don't think we can properly comment on that report until the Department of the Interior has established their own standards, which they intend to publish soon in the Federal Register; and that the State of New Hampshire has had an opportunity to make their comments, as I understand they do.

MR. STEIN: Mr. Baechle, that is why we are here, to establish the standards. Now we have two kinds of hearings. This is why the Secretary exempted this. And I hope there isn't any misunderstanding on this. This is why we are here. We preferred to have a hearing of this type or a conference of this type wherein we are dealing through the States. Under the present law, we have another option now whereby we can notify any industry or city and the city or industry can be the principal party. We have had a series of those with mining companies, several steel companies and a big city in the midwest. And this is what we are pushed to. But I would hope that we would be able to deal with this through the State. Now, here is what I have to go back with: We have had a conference in 1962; we had a conference in 1963; we have heard from Berlin and the State on what the municipal problems were and I am very sympathetic with these public financing problems and the problems of State aid and Federal aid which may or may not be forthcoming. But what would you suggest I go back and report to the Secretary of the Interior is the reason for the Brown Company's not having this cleaned up by now?

MR. BAECHLE: That we are part of the community; that we have joined with the city of Berlin and Gorham in a study; that we, as Mr. Healy put it, are not in the business of disposing of waste; that we are hopefully good citizens of the community and we are joining in a study to do a community treatment plant which is what Berlin - Gorham prefers, what I believe the State prefers and what they all feel will be the least expensive. And I think you would have to report back that in trying to be the best citizen possible, we joined in with what the city and the State wanted and we joined and we joined in, in full cooperation. You now have the fruits of that study and you want to have further discussion with the municipality and the State and we await that discussion.

MR. STEIN: Well, this is cooperation. The last conference was held in February 5, 1963; it is now 1969. I guess this cooperation proceeds with really deliberate speed. That is all.

MR. BAECHLE: I am afraid I would have to ask Mr. Palazzi or Mr. Healy to help me comment on that.

MR. PALAZZI: Could we do this, Mr. Chairman, I think if we could keep, with your indulgence, keep the record of this conference open giving time to the Brown Paper Company to come in with a report, a written statement to you and to us of their position on this matter as far as whether they will go it alone or come with the town. And, at the same time, we will bring up to date the position of the study. I think we have a report on that now, but as far as Brown Paper, I think we should extend them the courtesy.

MR. STEIN: I agree with you, but let me see if we understand what Mr. Klashman and Mr. Healy have said. If I am mistaken, correct me. As I understand it, both of you have asked for a minimum of 85 percent reduction in BOD.

MR. KLASHMAN: Did you say a minimum?

MR. STEIN: Yes.

MR. HEALY: We have it -- this is the overall objective. I didn't say it had to be done in one fell swoop.

MR. STEIN: In one fell swoop, right. All right. Now, the question here is -- the reason I raise this is because this will narrow the position for the Brown Paper Company -- if the overall objective in the timing of this which I think State and Federal people can work out, if the objective is to get an 85 percent reduction of the BOD, I think the question becomes narrowed as to whether Brown Paper Company is going to go it alone or join. Because, as far as I can see, the State and Federal objectives are the same.

In other words, the aspect presumably -- and this is aside from the date which we will discuss -- is the alternative which was pointed out by Metcalf and Eddy for the 85 percent reduction. Now, on that judgment and faced with that, I think Brown should be able to make a judgment on that basis whether Brown is going to join with the cities of Gorham and Berlin or go it alone on the basis of 85. The better the cities are going to be the better the industry is going to be and the better the river is going to be and certainly the better the regulatories are going to be.

MR. BAECHLE: As you point out, this agreement between the Department of the Interior and the State of New Hampshire was apparently reached at the conference table just here, so it is a new question that is posed. I am not enough of a technician, quite honestly, in this area to comment on it now. We would appreciate the opportunity to comment on it later.

MR. STEIN: Let's take Mr. Palazzi's point. If we agreed to keep the record open, how long would it be before we could get a judgment? How long would you suggest?

MR. BAECHLE: I am again not enough of a technician, but your -- as I understand it your record is not going to be typed for some months?

MR. STEIN: No, the record is going to be typed. We will have a transcript very, very shortly, and that is the official record. We have our problems getting something printed.

MR. BAECHLE: I see.

MR. STEIN: But the record will be available in the Regional Office and in Washington within a matter of weeks. Again speaking for myself, I have a limited authority; I can't keep a record open forever. In other words, if you give me a reasonable proposition to keep

MR. HEALY: We have it -- this is the overall objective. I didn't say it had to be done in one fell swoop.

MR. STEIN: In one fell swoop, right. All right. Now, the question here is -- the reason I raise this is because this will narrow the position for the Brown Paper Company -- if the overall objective in the timing of this which I think State and Federal people can work out, if the objective is to get an 85 percent reduction of the BOD, I think the question becomes narrowed as to whether Brown Paper Company is going to go it alone or join. Because, as far as I can see, the State and Federal objectives are the same.

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the record open, Mr. Palazzi, we will be glad to entertain it, but I am going to have to have a time limit as to how long.

MR. PALAZZI: Mr. Chairman, you must realize that the industry has moved herein because we didn't classify this river until 1967. There has been, I know, a change in ownership and I don't know what date, but everything is falling into line here, I am sure, with this study. And I think if we can get this statement from the Company in the next two to three weeks I think would be a fair time.

MR. STEIN: How about if we kept the record open three weeks for your answer, would that be reasonable?

MR. BAECHLE: Yes, I think three weeks would be reasonable.

MR. STEIN: Right. All right. We will accept that proposal. Thank you.

BROWN COMPANY 277 Park Avenue, New York, New York 10017 212-922-6060

JAMES J. BAECHLE
Vice President Secretary
and General Counsel

November 12, 1969

Water Pollution Control Administration
Department of the Interior
Washington, D. C.

Attention: Mr. Murray Stein

Gentlemen:

You have asked as to Brown Company's intentions with respect to joining a municipal system for treatment of water waste in the Berlin-Gorham area in New Hampshire.

We plan to discharge our waste into the municipal system provided that at least 90% of the funds necessary to build substantially all of such a system are provided by the Federal or State governments, that a reasonable time for building such a system is allowed, that the standards set are feasible and that the charges for use of such a system are reasonable.

Assuming that the State of New Hampshire and the municipalities find an 85% BOD removal standard to be acceptable, we would continue to plan to join in a municipal system under the conditions outlined.

Very truly yours,

James J Baechle

JJB:epj
cc: Mr. John Palazzi
Mr. W. A. Healy
Mr. George McGee

John Palazzi

MR. STEIN: Mr. Palazzi. Any comments or questions?

MR. PALAZZI: I have a few comments, no questions, but I have a few comments I would like to make. Mr. Chairman, we must realize that if everything clicked and everything fell into place here with this whole project, if the funds were all available, if industry and Brown Paper Company, the town of Gorham, the city of Berlin and if the Commission, State Commission and the Federal Government and if all, everything fell into place the way it should, I am sure that this project, the primary treatment plant, couldn't be built shorter than 4 years. Even that would be quite an accomplishment, if we did it in 4 years.

Now, that is if everything went right in -- the consultants really worked hard and if everybody else really did their job and then some. So I don't believe that we can ever expect everything to go that smooth because I haven't seen a job that has gone that smooth as yet. However, speaking for the State of New Hampshire -- the Commission -- I would like to propose to you and to show that we, our hearts are in the right place, and we are really trying to cooperate; that with the funds and with -- coming with the provisions that the funds do come and that everything goes the way it should and that the Federal Government increases the funds is what I am talking about; that we will make every effort to cut one year off that date we have given you and possibly even more than that. But I don't see how we could ever do better than that.

We will make very effort.

MR. STEIN: What is that, 1975?

MR. PALAZZI: 1976 is what we gave you.

MR. STEIN: If you cut one year off it is 1975.

MR. PALAZZI: I am saying now at best you would ever be is 4 years if everything went perfect. And we are leaving ourselves some time there, but you must remember now that we can't be waiting for funds from your agency and the other agencies for studies and for everything else. And somebody is going to have to ride herd, and I will take that project on for the Commission to ride herd on this thing to try to get it along, but this is --

MR. STEIN: When does your construction end?

MR. PALAZZI: It all depends on what you are trying to do.

MR. STEIN: yes.

MR. PALAZZI: What kind of work?

MR. STEIN: In other words, what you are saying is, as I understand this, that you are saying in three weeks:

(1) We should have a conclusion on what kind of treatment we expect in here. And if I understand this in an ultimate stage this goes from a minimum of 85 percent reduction of BOD plus a disinfection to kill the pathogens. However, you put it, plus the notion that given adequate financing the State will be agreeable to attempting to do this by the end of 1975.

MR. PALAZZI: You are going a little too far.

MR. STEIN: Well, halt me. Let me come back.

MR. PALAZZI: Let's put it this way, we will make every effort to get primary treatment. If primary treatment can take out 85 percent, fine. If not, it would be my opinion, and I believe the Commission will go along with me, and we have to have the cooperation of everyone again, that with the completion of primary treatment toward the end of the completion date, say within a month or two, that we would then start talking about secondary, I mean, about installing secondary treatment.

MR. STEIN: But the point is --

MR. PALAZZI: In other words, we can't give you primary and secondary treatment in 4 years. This is almost an impossibility.

MR. STEIN: What you are talking about is both in 1975, aren't you, or just primary. If you are talking in terms of primary, then I am not sure we are talking in terms of Federal aid. This is the problem.

MR. PALAZZI: I think with our intent to proceed with secondary when primary is done you must remember there are finances here to contend with, there is manpower to contend with and many, many things to contend with here. And I don't think you can ask for more than that. I don't think you should ask this municipality to proceed with both projects at the same time. I don't think they can afford it for one, and I don't believe they have the manpower. It would have to be a crash porgram to do something like that.

MR. STEIN: Well, just a moment. Isn't that the proposal for 70 percent BOD something more than primary?

MR. PALAZZI: I wouldn't think so.

MR. STEIN: The proposal for 70 percent reduction of BOD from Metcalf and Eddy in Berlin, isn't that something more than primary? You expected to get 70 percent reduction with primary.

MR. LaCAVA: The reason they got 70 percent is because they were burning their liquor, sulphite, and they took credit for that through their whole plant.

MR. STEIN: That was intended to be what, a primary plant?

MR. LaCAVA: Except for the sulphur and liquors, yes, sir.

MR. STEIN: You expect to get 70 percent reduction in municipal waste with a primary plant?

MR. LaCAVA: No, also a trickling filter in there.

MR. PALAZZI: Mr. Chairman, could we have Mr. LaCava take the podium here and bring us up to date as far as the study and the history and he can give us answers to any questions.

MR. STEIN: By the way, Mr. Palazzi, I am just talking from a technical point of view, if you are going to do 70 percent on primary, it is going to be a milestone. Let's see what -- generally we consider a trickling filter to be a secondary treatment filter. Go ahead.

MR. LaCAVA: Mr. Chairman, the report of the contract for the report was completed sometime in 1967, and the report did not come into our staff office until March 25, 1969. After rapidly reviewing the thing we realized that they were going to have to excced their due date which was April 1st with HUD on the submittal of the report to the Federal Government. We advised them to extend their time some 120 days, to August 1, 1969. In the meantime, we were studying the matter and on June 16, 1969, we sent Metcalf and Eddy a letter of comments concerning the report. After that the next item of record is on July 1, 1969, wherein we had a meeting with the Brown Company personnel discussing the details in the report.

At that meeting we spoke to Mr. Roland Fickett and Mr. Al Webber of the Brown Company. The big items, of course, were the methods and the money involved with the methods proposed. On July 7, 1969, we received a reply from Metcalf and Eddy out of which developed a meeting for July 29. We also met with the city of Berlin on July 15, 1969, and discussed elements of the report -- the same elements involving both methods and price.

At that meeting we advised the city of Berlin that we would do the best we could with the study, but in our opinion at that time it looked as though we would ask other opinions in relation to the problem with the industry in the city. Staff meeting was held with Metcalf and Eddy on July 29, during which we discussed the whole problem and the report from "A" to "Z."

In that meeting we went over both methods and cost and we recommended certain changes. In the meantime, we were running out of time on that August 1 date for submission to HUD. We recommended that another extension be made to February 1, which I have -- already been made, I believe, and from which we have not yet heard.

The Staff is now awaiting completion of the report by Metcalf and Eddy. That, I think, completes our record.

MR. KLASHMAN: Mr. LaCava, in the treatment that is proposed for the 70 percent, does this include any biological treatment at all or is it simply the primary settling plus the burning of the sulphite?

MR. LaCAVA: I will have to call on Mr. Nylander for the details. I will say this, it involved burning of cooking liquors for which they took credit for the whole.

MR. KLASHMAN: I understand.

MR. LaCAVA: For the whole operation. And this, of course, we know you don't agree with, and neither do we.

And also the primary treatment that settling, if the same trickling filter--Mr. Nylander will have to expand on that.

MR. NYLANDER: Mr. Chairman, I believe the recommended scheme, Metcalf and Eddy's recommended scheme for 70 percent removal involved the primary treatment of the so-called weak BOD waste from the paper machines, etc., and primary sedimentation plus trickling filtration of the chlorinated domestic sewerage for the city of Berlin in the mill and the so-called strong BOD waste from the Brown Paper Company.

MR. STEIN: In other words, there would be a trickling filter on both the municipal waste and the strong waste from the Company?

MR. NYLANDER: That is right.

MR. STEIN: In other words, there is secondary treatment in this plant if we consider trickling filter, and I think if anyone considers trickling filter other than secondary treatment let me know, that is what I always considered secondary treatment according to the rules of the business.

In other words, the only waste that would just receive primary treatment would be the so-called weak waste from the mill. There would be secondary treatment by the trickling filter device of the municipal waste and the strong waste of the mill, plus the burning of sulphite waste liquor, is this correct?

MR. NYLANDER: That is right.

MR. STEIN: All right.

MR. PALAZZI: By the same token, remember they came up with a price of $50 million.

MR. KLASHMAN: The $50 million was not for the 70 percent, as I recall it.

MR. LaCAVA: That was $35 million, the 70 percent is $35 million.

MR. KLASHMAN: I understand that includes complete combined sewer. Does that include the separation of the combined sewers?

MR. LaCAVA: No, it does not. It involves overflow points at different points in the system.

MR. STEIN: You know, we have been flying throughout the country, and the engineers take these package plans just off the shelf and put them in. Maybe that is a good idea. God help us without Yankee ingenuity; this is a wonderful system. What I am saying is it is fair to say that we have a talking point here at least in my judgment, unless someone indicates this is something more and considerably more than primary treatment.

Now, I have never liked these phrases, "primary" and "secondary" treatment, because I think it is an artificial distinction and has too much flexibility. I think the key point that we are going to get to if we can arrive at an agreement with the State, is the amount of BOD removal we are going to get, the kind of disinfection we are going to ask for, and when we are going to do it.

Now, in line with Mr. Palazzi's statement, I think if we utilize the three weeks that we are going to keep the record open we should try to get the State and the Federal people together and see if we can get an agreed-upon statement, along with the statement from the Brown Paper Company -- we might be well on our way on moving the situation forward.

MR. PALAZZI: Mr. Chairman, I still believe, though, if we can design and finance primary treatment and get that on its way, and then take time to design and prepare for the building of the further treatment, I think this is the way that we should approach it. I think it will help everyone. It will get something started faster. If we have to wait for the complete design of the complete project it will slow things down as far as getting it started. And I think that we should go on that basis if we can. I understand that before the Federal Government will give up their share of the money or give us any money they will want some assurance that it is going to be a reality.

MR. STEIN: Right. Let me ask you. I have just one question. We have this chart and it says October 1975 for Berlin, and the Paper Company in Gorham 1976, is what is proposed to be at the end of that time, just primary treatment?

MR. HEALY: This was the intended treatment necessary to meet the classification here today. You have introduced another parameter of 85 percent BOD removal. This was not contemplated at the time those dates were prepared. I think that in view of these developments the only thing that we can do that makes sense here now is to give you the necessary assurances that we are going to achieve the 85 percent level of treatment at a given time that will have to be resolved. Still, meanwhile, we have got to move forward and get the river under control.

MR. STEIN: I understand your position. By the way, I know this has been very useful to work this out. But, as I see it, we have a lot of work to do with the State of New Hampshire. Let me just clear it to Maine for a moment. I think your dates comtemplate secondary treatment, whatever those dates are. In other words, I think we have passed the first hard step and that is treatment has to take place. The second hardest step is what degree of treatment we are going to get. The third one is the dates we are going to get it. I believe it is fair to say that the Federal Government and the State of Maine are agreed upon the degree of treatment.

Now, I am not sure we have that agreed upon with the State of New Hampshire. I am hopeful from what I have heard that the objective of both is a minimum of 85 percent. The problem, gentlemen, that I really have, and let me just lay this out, if we are talking in terms of that 85 percent, not by 1975 or 1976, but some date beyond that, I am afraid I have my work cut out for me if I go back to Washington with a proposal of that type. I really think we are going to have to do some more work on that. Here is my suggestion on this. Let's put this this way -- I believe this would be the best way -- I think a pretty fair agreement was made with Maine. If we hold the record open for three weeks and we ask the Brown Paper Company to make the assumption that in time we are going to ask, both New Hampshire and the

Federal Government are going to ask for 85 percent treatment. And in three weeks, given that 85 percent assuming whether you want to join under any circumstances with the cities or want to go it alone. In these three weeks I would suggest that the State of New Hampshire and the Federal Government, again keeping the record open,* try to work out a joint statement where we will come up with an announcement -- hopefully a joint announcement from both parties either to agree or hopefully agree or state our positions on first, the degree of treatment we are going to ask for and, second, specifics if we can get to it on a time schedule or at least the first phase of that we will be ahead. Because it seems to me from what we have developed here that we have probably a considerable amount of work to do which will need some careful negotiations. And we will hold the record open for three weeks on that basis.

Are there any comments on that because I think this will be the most fruitful way that we can get this. Very frankly, I think there was some minunderstanding. I am not sure that they had not proceeded, by the way, this is not anything that New Hampshire did. I think the assumption was that the

*The Federal Water Pollution Control Administration and State of New Hampshire met December 4, 1969. No agreement was announced.

States of the dates of 1975 and 1976 would result in complete secondary treatment the way the people in Washington thought about it a 90 percent BOD removal. And that just is not -- this is just not what -- by the way, I am not -- you never said this and --

MR. HEALY: It was never even considered, Mr. Chairman.

MR. STEIN: I understand this, and I think that is why we need this time to get together. I also believe this meeting was very useful in framing the issue if we are going to do this. Are there any other comments or questions? Do you have any other people that you want to make statements?

Anyone in the audience want to say anything?

MR. PALAZZI: Mr. McGee, do you have anything you want to add? Mr. McGee, Chairman of the New Hampshire Water Resources Board and he is a Member of the New Hampshire Water Supply and Pollution Control Commission.

MR. McGEE: I don't think I have too much, Mr. Chairman, I could add, except it is a little confusing back here that we are -- (Mr. McGee taking the podium.)

GEORGE McGEE, MEMBER, WATER SUPPLY
AND POLLUTION CONTROL COMMISSION,
LINCOLN, NEW HAMPSHIRE

George McGee

Mr. Stein, Mr. Klashman, invited guests here, probably there isn't anybody in this room anymore ill-equipped to approach this mike than I. I am a little leery at public speaking. However, we in my little town of Lincoln have been down this street. We have an industry in Lincoln similar to the one that is under discussion here today.

We are much smaller, but the problems were just as acute. The solutions were unknown, much less the mechanics in which you could hope to acquire and achieve what everybody is looking for as clean water. It is confusing sitting back there listening and I am sure it is to some of the other people in the room that we are talking about possibly two or three distinct separate beasts here, if you please, different types of treatment. It is not sewerage we are talking about. I am sure the city of Berlin knows what their sewerage problem is and are reasonably sure what it is going to cost to abate it. The treatment for the industry of the industrial waste is a very exotic treatment. We have it in Lincoln, but it is two distinct treatments, one is on the white water side of the mill and the other is on the sulphite liquor side. One of the most critical solutions to reach up there is whether or not the town, or city in this case, and the town and the industry are going to go into joint facility. It would be operated, of course, by the mill. Ours, of course, is leased to the industry over the debt limit time of the bond issue. They operate it and pay all the expense and what have you. It is going to take sometime to work this out. I am sure it is a big problem up there. And I would hope that the Federal Government would, if you please, put their money where their tongue is -- on the line -- that the funds are available and I am sure there isn't any problem there but what can be solved, but if you are going to expect the city of Berlin and Gorham, New Hampshire, to put themselves into debt with an industrial treatment facility that might involve, who knows, $30 million, $40 million of debt authorization here without the funds, unknown whether you are ever going to get them or not, I think we are facing an impossible task here to ever sell this project. And for the industries to go it alone that is almost prohibitive too.

So there are many, many things to be resolved here. And I would hope that the Federal Government would see fit to give us the time to sit down with this industry, remembering that they are new owners up there and the river was not classified until 1967, as our Chairman stated. This thing hit them a little cold. And they have not had the time to really put their teeth into this thing, to come up with the answers. And I would plead with the Federal Government to give the State of New Hampshire time to work with these people, and I am sure we can work it out and save this industry and end up with what everybody wants, which is a good clean stream. Thank you.

MR. STEIN: Thank you, sir. Are there any other comments? You know, those are very pertinent remarks, but again let me try to outline what I think we have developed here and this is the issue. If we are talking in terms of Federal funds and I don't want to preclude anything, I think the notion of the chances are much better of getting Federal funds through these joint industrial - municipal waste systems and treatment systems, if we are going to provide what these Federal people consider full secondary treatment than if we are not. And I submit to you that the State and the Federal technical people have their work cut out for them within the next few weeks because I think the key question on the swinging of Federal funds is:

1) What kind of treatment we are going to provide and when we are going to provide that.

I just want to frankly say that I did not realize that there was this much of a gap, and I think we have to close it before we can move forward.

MR. PALAZZI: Mr. Chairman, I believe that there is a misunderstanding there. However, I think we all had intentions of secondary treatment eventually, it all depends when. Now, I am just stating that I think that we better start something rather than wait until we can afford the whole thing.

MR. STEIN: Mr. Palazzi, I don't have a bit of trouble understanding you, and I never have. I understand exactly what you are saying. All I am saying is what came through to Washington was that these dates you provided here were going to give the required degree of secondary treatment that they thought was necessary, which was a minimum of 85 percent and probably 90. As Mr. Healy and you have repeatedly said, this is not what you had in mind at all and never said. Knowing you people, there is no question in my mind that you ever said this.

MR HEALY: It is even stronger than that, Mr. Chairman; it was in no one's mind. It was in no one's mind. The Federal people didn't develop this 85 percent philosophy or the secondary treatment for a basic requirement until very recently. When we talked with you at the time of the original hearings, we were not talking nor were you in terms of secondary treatment.

MR. STEIN: What you are talking about is 1962 and 1963; this is clear. But this is a considerable point in time later. I think we are going to have to work this out. But does anyone else want to talk to this problem at this conference? If not, I think we can summarize it now. I think we have a Federal and State program here in which the Federal Government and the State of Maine really have no differences. The standards are approved and it has been agreed that secondary treatment, as defined substantially by Maine and the Federal Government is going to be achieved by the dates indicated on the chart. Most of these are in the Fall or Winter of 1973.

I think with the State of New Hampshire on the Androscoggin River we are going to keep the record open for three weeks. This may possibly entail informal meetings among the parties and the various participants, including the municipalities, and we may also invite the industries and States to these meetings to see if we can resolve this.

Closing Statement - Murray Stein

We are going to try to find out what Brown Paper Company's intentions are -- whether it will go it alone or join the city of Berlin municipal system. We will also try to get a reading on the acceptability of the plans submitted by Berlin at the present time. We will also try to resolve the issue between the State of New Hampshire and the Department of Interior and hopefully come up with a unified statement on:

1) What degree of treatment is going to be required.

2) When that treatment is going to be required; and

3) Whether any program for putting that treatment in, in phases, will be acceptable; and, if so, what that phasing will be.

We will have to resolve all these issues before we can go forward with a program. I believe we are at the stage where this obviously calls for consultation among the technical representatives of all parties and not for resolution in a meeting of this kind.

Are there any other comments before we close?

MR. PELOQUIN: I have two comments, Mr. Chairman. First of all, were you able to determine whether or not the provisions of the rules and regulations on secondary have actually been published in the Register?

MR. STEIN: Perhaps you weren't here. They have not.

MR. PELOQUIN: Yes.

MR. STEIN: They are waiting for comments from the State. They plan to give the State and Intrastate agencies a reasonable time to comment before they publish those. I have checked that out.

MR. PELOQUIN: And the second point, I hope in the meeting during the open period of the conference that the Interstate Commission and representatives of the State of Maine will have an opportunity to sit in. We are involved in an interstate stream hearing and whatever decisions are arrived at as a result of these conferences during this 3-week period that we can have the interstate commission and representatives of the State of Maine present. Because these decisions are going to have interstate impact and will affect the State of Maine as well.

MR. STEIN: That certainly will be done. As far as I am concerned, except if we have to have some special meetings involving people that can't get out to Washington, we will have most of them in New England.

MR. KLASHMAN: Mr. Stein, may I get something clear? You summarized very well the position of the conferees, I believe, but are you holding the record open for two things: 1) for the report from the Brown Paper Company and 2) a resolution of several of these facts?

MR. STEIN: Yes. Yes.

MR. KLASHMAN: Before the summary is finalized?

MR. STEIN: That is correct. Boy, I like that word finalized.

MR. LaCAVA: The report may not be ready by this time.

MR. HEALY: You mean the engineers report?

MR. STEIN: Mr. LaCava, I don't see any necessity for that report to be in existence. We are holding the record up for three weeks. I think we can resolve or know if we can resolve the issues in that three weeks. In other words, if we can get the answer from Brown, we can determine whether we are going to come up with a joint program with New Hampshire or we both have to state separate positions. I hope it is the first. But we can do that -- we can do that in three weeks.

Closing Statement - Murray Stein

MR. KLASHMAN: Mr. LaCava, I just want to make clear the three weeks that we are talking about, the three weeks limit the conferees agreed to including Mr. Palazzi and Mr. Healy, that the Company was going to -- the Brown Paper Company was going to submit a report stating what their position was insofar as -- well, they are going to state their position on where they stand on the cleanup, that is it.

MR. STEIN: All right. Now, are we set on that? Does anyone want anything else to say? If not, I think this has been very helpful in working this out. I do think this is a very complicated problem and as you know a very long-standing one. And anything that has taken a hundred years in creation has to take a little time to resolve.

So with that we will stand recessed on this and hopefully be able to conclude this in three weeks. Hearing is adjourned.

(Whereupon at 2:55 p.m. the Conference adjourned.)

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